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RISING TAX LOAD ARRESTS REVIVAL OF PROSPERITY

Business Recovery Elsewhere is Facilitated by Tax Reductions

WEST LIQUIDATING

Lower Trade Figures Result of Reduced Grain Shipments—Car Loadings Are Down

While less than half of the grain yield has reached seaboard or lakehead, a general liquidation process and buying increase is reported, especially in the West. This argues well for further business expansion, when the full impetus of the crop returns is felt. Other business signs are equally encouraging. One factor of major importance still retards progress, viz., the stolib attitude of indifference to rising public expenditure, while other countries are facilitating business expansion by reducing taxation.

Another slash in the United States tax rates which is directed to reduce the maximum surtax to half its present rate is being urged by Secretary Mellon. That the reduction already made in the tax burden of our neighbor is no mean factor in the present business advance, is recognized by close observers. Yet, unfortunately, the Canadian Government refuses to accept the lesson as applicable, and goes on spending a much larger figure than the public finances warrant. An election is approaching and from all parts of the country come demands for new branch lines or public buildings, or breakwaters, or subsidies for this or that. The burden of taxation is perhaps the largest single factor in the tardy return of business health. Canada's pretentions are calling for an ever-increasing expenditure—not only federal, but provincial and municipal, and, as a result, thousands of Europeans are today waiting at our gate for admission—to the United States.

November Trade Situation

The trade figures for November indicate the seasonal falling off in imports and exports. Imports for the month were $66,250,498 and exports $118,954,053. That the export figure is about $20,000,000 below that of last year is the result largely of two separate factors in the grain situation—the lower volume of grain and the tendency to hold for higher prices. The volume of wheat shipped and to be shipped this year is about 175,000,000 bushels less than last year's figure, and much has already been shipped at lower contract prices. It is reported also that much wheat is being held for higher prices, in view of the constantly rising market. It is evident, however, that the loss in November will be caught up later, since the total value of the wheat yield will exceed that of last year. At time of writing, May option has touched $1.75 in Winnipeg, a record since August, 1921. The Bureau of Statistics estimate just published places the value of the 1924 wheat crop at $325,332,000 as against $316,934,700 for the much larger yield of last year, based on $1.20 per bush. It is strongly probable that this figure will require revision upward. The value of the principal field crops for Canada is estimated at $948,663,400 by the Bureau as against $899,166,200 last year. Business news from the West is universally favorable. The volume of grain shipped to the head of the lakes and to Vancouver up to Dec. 5, totalled about 150,000,000 bushels, less than half of the total. Less than this proportion of the money return from the crops has been received and yet reports state that obligations are being very satisfactorily liquidated both to implement firms and to loan companies.

Industry Makes Progress

Industrially, little general improvement has occurred except in isolated cases. One of the largest textile companies has started night shifts in its print work and has pulled up to full time in the cotton mills. Substantial orders have been received and the company contemplates running at present capacity indefinitely. While the steel and iron trades have remained relatively quiet since the last price advance it is significant that the unfilled tonnage of the United States Steel Corporation showed an advance in forward business during November of 506,000 tons, the largest gain in any month in more than two years.

How Germans Dodge the Reparations Tax Duties

LONDON. — The Germans are adopting various methods of overcoming reparations duty. It is stated that German leather reaches Italy through Switzerland by means of a bogus sale to a merchant in the latter country; e.g., A in Hamburg makes a bogus sale to B in Zurich of German leather on which no reparations duty is paid. B is then free to resell to anybody in Italy and to avoid the extra duty which is levied on certain classes of goods.

To Cut British Income Tax Shilling in Pound

LONDON. — While everything promises well for business, there has been no noticeable development. The position is that firms are waiting to get this year's accounts closed before planning for new enterprises. Some think that there will be no big step forward until towards the end of March, when the budget is ready. The general impression is that the government will have a big surplus, owing to over-taxation. During the time of the Socialist government the revenue department were merciless in methods of tax collecting, particularly income taxes.

There is now some talk of a reduction of a shilling in the pound in income tax next year, and if this goes through it will make a tremendous difference in trade. The chief result of the change in government is noticeable in the sentiment which indicates clearly that British firms are making ready in their own quiet way for improved conditions.

BANK MERGERS BEING PLANNED FOR THE FUTURE

Important Negotiations but Early Announcement Unlikely

The financial community hears rumors of further bank mergers. There is every reason to believe that these are based on negotiations which may lead to important changes in the banking world, but THE FINANCIAL POST understands that no announcements are pending for the immediate future. The trend of events indicates that eventually the number of banks in Canada will be further reduced. In one case the names of several banks are mentioned in the formation of another big institution to hold pace with the "big four" and in another the possibility of subdividing one bank among several others which could thus absorb it to advantage is being discussed.

There is no reason for the situation being regarded with apprehension. The attitude of Ottawa is that unless consolidations are in the public interest they will be discouraged and with the appointment of a banking inspector the government should be in a better position than ever to judge of the merits of any proposal submitted. Mergers which would have the effect of strengthening certain banks and taking care of others which are feeling the effects of conditions or competition should be in the interests of both the public, which is continually demanding a higher standard of service, and the shareholders. In fact, so far as the shareholders are concerned it has been noted that the stocks of the banks which have been mentioned in the merger talk have recently shown quite marked strength and have advanced 5 to 20 points in the last three months.

What Tourist Traffic Means to Vancouver

VANCOUVER. — At the annual meeting of the Vancouver Publicity Bureau on December 9, it was reported that approximately $40,000,000 had come into the province in the last twelve months from tourists; of this about $10,000,000 was from motorists alone during the summer; that the bank clearings in the heavy tourist month, July, showed an increase of $10,000,000; that some of the heaviest shopping days of the year occurred in the summer months which used to be very quiet, and that the 4th of July is now ranking with the Christmas shopping days for good business.

TASCHEREAU CALLS POWER EXPORT CRIME

Premier of Quebec Says We Can Force Factories to Come if We Hold Power

From Our Own Correspondent.

MONTREAL.—"I believe that we should exert efforts to keep within the limits of our province, our wood, and all the electrical energy and power that we can develop," said Hon. L. A. Taschereau, premier of Quebec, here this week.

Mr. Taschereau thus aligns his government with the general disapproval of pulp and water power exports from Canada. The premier declared:

"Whatever may be the opinion of others on this point, I believe that it is a crime to export power to the United States. It is quite possible that for five years, or ten years, or even twenty-five years, or perhaps fifty years, we will have a surplus of power that we can export, but what is twenty-five years, or even fifty years in the life of a nation? The day that we export power to the States to operate the mills of New England, and the tramways in the big American cities, it will mean that at no time can such export be stopped. We have to decide now what we must do, and we have to decide whether it is advisable for the province of Quebec to permit its electrical energy to be exported. That is a question on which opinions may be divided, but I believe that if we stick to the policy we now have, we will compel the Americans to come and build their mills within the province."

THE AUSTRALIAN TRADE TREATY IS BONE CONTENTION

Government May Fall Out With Progressives on Issue

From Our Own Correspondent.

OTTAWA.—It looks very much as though there would be a rather animated discussion over the motion to ratify the Canadian-Australian trade treaty during the coming session of parliament. In the first place the Progressives are disposed to be critical, for they do not like the prospect of having to pay so much more for raisins, which will be one of the effects of the treaty, without a compensation.

In the second place the proposal on the part of Australia and New Zealand to increase from 25 to 75 per cent. the percentages of British labor required on commodities before they receive the full benefit under the British preference, would minimize very materially some of the advantages of the treaty, in so far as Australia is concerned. It would hit rather hard exports to New Zealand. The government is trying to induce these dominions to let up a little in their proposals, and it is probable that a compromise may be effected at 50 per cent.

It is thought that there may be trouble with both the Progressives and some of the very low tariff Liberals over the proposal to increase the duties on certain farm products, which must be done to implement the treaty. On the other hand, it is probable that even without the support of the Progressives, the government may be able to carry the treaty through the house. The pulp and paper interests stand to gain so much by it that their influence may turn the tide.

It is expected that about $30,000,000 of imports from the United States will be affected by the new treaty. Coming on the heels of the bad slump in such imports during the past year, this will not be welcome news for United States exporters.

The changes in the Canadian customs tariff that will be rendered necessary by the treaty are as follows:

Butter.—Present British preference 3 cents lb.; general tariff 4 cents; new British preference, 2 cents; general tariff 5 cents lb.

Cheese.—Present British preference, 2 cents lb.; general tariff 3 cents; New British Preference, 1c. lb.; general tariff, 4 cents.

Eggs.—Present British preference, 2 cents doz.; general tariff 3 cents doz.; new British preference, 1c. doz.; general 4 cents doz.

Lard.—Present British preference, 1½c. lb.; general tariff 2c; new British preference, ½c. lb.; general tariff, 2½c.

Fresh Meats.—Present British preference, 2c. lb.; general tariff 3c.; new British preference, 1c. lb.; general tariff, 4c.

Canned Meats.—Present British pref., 17½ p.c.; general tariff, 27½ p.c.; new British preference, 15 p.c.; general tariff, 27½ p.c.

Tallow.—There is an increase of 5 per cent. in the British preference, which is made 10 per cent. with the general tariff 20 per cent.

Onions.—The general tariff remains unchanged, at 39 per cent., but Australian onions are admitted duty free.

Dried Fruits, including all dried fruits except currants and raisins, which are treated specially: prunes, bananas, dates and figs, present British preference 17½ p.c.; general tariff 25 p.c; new British preference 12½ p.c.; general tariff 27½ p.c.

Dried Currants and Raisins—Australian are admitted duty free: the general tariff is increased from 2-3 cent to three cents per lb.

Canned Fruits—Present British preference, 1¾c. lb.; general tariff 2½c: new British preference, 1¼c. lb.; general 3¼c. lb.

Wines.—The rate applied to French still wines will be applied to those from Australia. Sparkling wines —There will, in the case of those from Australia, be a discount of 10 p.c. in the amount of duty below the rate on French sparkling.

Glue and Gelatine.—British preference increased from 7½ to 15 p.c.

Australia also gets the full benefit of the British Preference.

He Pays for Farm and Pockets $1,600 Out of Crop

From Our Own Correspondent.

LETHBRIDGE. — Parker Ellis formerly of Sweet Grass, now of the United Irrigation district, deposited the deeds to his 160 acres of land in the U. I. D. in his safety-deposit box at the bank, and walked out with $1,600 credit at the bank, after paying in full for his land from the proceeds of one crop off the land which he purchased in 1922, prepared for crop in '23 and harvested in the fall of '24.

Has U.S. More Hard Wheat This Harvest?

From Our Own Correspondent.

OTTAWA.—Judging by their recent imports of wheat from Canada for milling in bond for export, American mills seem to be pretty well independent of Canadian wheat supplies this fall. Only twice since October 1 have such imports from Canada gone above 150,000 bushels during a week. From the 1st of October to December 6 the amount taken into the States from Canada for milling in bond was only 503,160 bushels.

STEEL MILLS BUSIER

PITTSBURGH.—The November report of steel ingot production confirmed the trade reports during the month of increased operations at the steel mills. The rate of production was 7.8 per cent. greater in November than in October, and represented 71.6 per cent. of estimated mill capacity.

Pulpwood Embargo Means Jobs, Wages, Buying Power

More Money to Buy the Products of Canadian Farms and Factories—Our Present Position is Ridiculous

From Our Own Correspondent.

MONTREAL.—With so many confusing discussions of the pulpwood embargo question it is not at all surprising that the man on the street is apt to feel a bit bewildered and muddled on the question. Advocates of the embargo and its opponents as well have wandered a bit in their arguments; as a result attention has been diverted to some degree from the one essential point that is the core of the question. This is the point: that Canada needs the embargo to give to this country the full revenue from the wood that is being cut from her forest lands; wood that is disappearing at a rate greatly in excess of the rate at which new wood is being grown. In brief, to give jobs to Canadian workmen.

Canada sells around 1,400,000 cords of wood yearly in the United States and gets therefor a revenue of $14,000,000 or so. The same amount of wood would make nearly 1,000,000 tons of paper and if this wood were made into paper in Canada the revenue from the sale of this amount of paper would be at least $70,000,000. Most of the difference, amounting to over $50,000,000 would be distributed in wages to Canadian workmen, in the forests, in pulp mills and paper mills and in machinery plants selling to the mills. That is the pith of the embargo question.

The Conservation Argument

The embargo has been argued out on the basis of conservation. It is stated that Canada should not export logs to the United States because our forests are already being too rapidly depleted. And at the same time, it is stated that the embargo will mean more new paper mills in Canada. Obviously, the mills that would be built in Canada would use up wood just as rapidly as the mills they would displace in the United States. Thus it is difficult to see the conservation element in the pulpwood embargo.

It is an open question as to whether or not the use of this argument has not played into the hands of the opponents of the embargo. They have come back with statements indicating that the pulpwood exported from Canada represents but a small fraction of the total pulpwood cut each year in this country, and but a small fraction also of the wood destroyed yearly by fire, and insects. Therefore, they say, let us not waste time trying to work out an embargo on wood shipments, but let us attempt to subdue these other monsters that are devouring our forests at such a rapid rate.

It is the old reliable red herring being dragged across the embargo trail. Certainly Canada should fight the menace of forest fire; conquer budworm and fungi; get to work planting new trees and establishing provincial forest reservations, but in doing so it should not and need not forget the embargo, which is needed as a stimulus to Canadian industry more than it is needed as a measure of conservation.

The Question of Paper Tariff

There are other questions that can be discussed alongside of the embargo question, but it is always well for the citizen who is interested in this question to keep their relationship to the question of getting bigger markets in the United States for our papers that must climb over high tariff walls to get into that country at the present time. A vitally important question is this. Its solution in Canada's favor will mean the addition of many millions of dollars a year to Canada's production and the employment of new thousands in this country. That Canada has the quid to argue for the quo in this matter is beyond argument. The essential point at the moment to consider is that Canada must first have the embargo as a part of its definite fiscal policy before it can begin to discuss paper tariffs with the United States.

There are numerous other red herrings hooked on that string that is being drawn across the path of the Canadian citizen trying to make up his mind on the embargo question. One is the bogey that prohibition of wood exports will strike a severe blow at the farmer; as well as being an unjustified menace to the vested rights of Americans who have invested millions of dollars in forest lands, logging equipment, townsites, wharves, ships, etc., to cut wood in Canada.

The answer to the farmers is that they will find a market for their wood in Canada under present conditions. Canadian mills are buying every stick of wood they can get in the open market. One mill is buying 63 per cent. of its wood from farmers; several are buying fifty per cent. or more. They are thus prolonging the useful life of their own forestry reserves.

Protecting American Investments

The answer to the American pulpwood operators in Canada is that their case can be easily and effectively dealt with; eventually they must transfer the investment in their American mills to Canada and the purpose of the pulpwood embargo, to put it very bluntly, is to force them to do that. Canada need not be rigorous or unfair in forcing such action. THE FINANCIAL POST has all along felt that a graduated export tax, if firmly administered, would be just as effective as a complete embargo on pulpwood, put irrevocably in force at the present time. Such an export tax with a gradually ascending scale of duties would amount to a complete embargo before the end of five years. In the meantime the American owners of these lands would have had time to establish mills in Canada or sell their limits. The revenue obtained by the government in the meantime could and should be applied for the protection and re-growth of Canadian forests, either by direct action of the Dominion Government or by the subsidizing of provincial government activities.

Any way it is viewed the embargo is necessary. It is necessary to pro-

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1924 BORROWINGS IN UNITED STATES MAY MAKE RECORD

Total Will be Close to or Exceed That of 1923

From Our Own Correspondent.

NEW YORK.—Canadian borrowings in the United States will be greater in 1924 than they have been in the last five years with the exception of 1923. It is quite likely that final estimates will show that the 1924 total exceeded even that of 1923.

But Canada was not the only foreign country to increase its loans in the United States. Foreign loans in the United States during the first eleven months of 1924 were three times as great as they were in 1923 and four-fifths of the loans were "new capital." Total foreign loans were larger in volume than they have been since the war.

Of the loans 75 per cent. were floated for the account of foreign governments and 25 per cent. for foreign corporations. Half of all the loans were for Europe.

The heavy borrowing in this market on the part of Europe unquestionably accounts for the strength of the principal European exchanges during recent months at a time when they might have been expected to show anything but strength. Ordinarily, for instance, in the fall of the year heavy buying of grain and cotton tends to produce reactions in the chief European exchange markets. These reactions this year failed to materialize as most students of the foreign exchange markets are aware.

NATIONAL BISCUIT MAY BUY CHRISTIE

Deal Reported from New York but Not Confirmed in Toronto

A dispatch from New York apearing in a local weekly paper to the effect that the National Biscuit Co. of New York had secured an option on the plant and business of Christie, Brown & Co., Ltd., Toronto, has created considerable interest. The option price is said to be $3,200,000. As far as FINANCIAL POST can find out nothing definite has been concluded, but it is understood that negotiations are under way.

The Christie Brown biscuit business is an old established one with a national reputation. It has been the leader in the Canadian field for a long time, but in the last few years competition has been very keen. The National Biscuit Co. of New York, is the largest biscuit manufacturer in the United States, but has not until recently paid much attention to the Canadian market.

Christie, Brown & Co., Ltd., as at present established, was incorporated with an Ontario charter in 1899. It owns the premises bordered by King, Frederick, Duke and George Sts., Toronto, which has a land value of perhaps close to $200,000. The directors of the company are Major R. J. Christie, who is the president; Charles E. Edmonds, secretary and treasurer, and Mrs. E. L. Christie, wife of Major Christie, and Rueben Harvey, who has been manager of the company for many years. The capital stock is $500,000 divided in to 5,000 $100 shares, all allotted and all paid in full. The shareholders include Maj. R. J. Christie, who owns the bulk of the shares—more than 3,500; Mrs. Christie, who has one and the estate of Wm. Christie with some 1,200 shares. The balance are owned by Mr. Harvey and Mr. Edmonds. The reported price in connection with the negotiations of $3,200,000 would represent a share value of about $640.

ATHOLSTAN GIVES HIS HISTORY OF MONTREAL POWER

Some Amusing Calculations to Make Out a Case

PROFITS RE-INVESTED

Policy of Ploughing in Earnings Has Resulted in the Present High Price of the Stock

From Our Own Correspondent.

MONTREAL.—A local evening paper, one of the two published by Lord Atholstan, has been publishing in regular evening instalments a financial history of Montreal Light, Heat and Power. The story is part of the paper's attack on Sir Herbert Holt and the local public utility companies. While intended as a damning indictment of the excessive capitalizations, stock watering, and other reputed evils of high finance, the articles form interesting reading for investors in the company under discussion.

Many of the deductions and inferences in the articles that have appeared to date are unsound, a fact obvious to any fair-minded business man. For instance, a recent article referred to the formation of Montreal Light, Heat and Power Company by a merger of Royal Electric and Montreal Gas. It is shown that the outstanding stock of these two companies amounted to $5,248,640. But the authorized capital—the authorized capital, not the issued capital—of the new company was $17,000,000. It was but a simple problem in mental arithmetic for the writer of the articles to figure the "excessive capitalization on which the company had to earn profits," as $11,751,360. Similar amusing calculations are given in the articles.

Earnings Were Re-Invested

The fourth article contained a phrase that is after all the pith of the reason for Montreal Power's present high capitalization. This sentence is: "The growth of these funds were and are part of the net profits not divided among the shareholders."

That is exactly the reason why Montreal Power is to-day one of the most successful and powerful public utility organizations on the continent. The directors have never paid out dividends to the full extent of the company's profits, but rather have ploughed back these profits into the properties; making extensions and improving service to the public. The company could easily have paid higher dividends in the early days. Undoubtedly, the shareholders of those days forcefully demanded these from the directors, and felt that they were justified in receiving them. But if the dividends had been paid, it would have been necessary for the company to borrow money for extensions and improvements in the open market. Bond issues would have been sold and a top-heavy financial structure would have been created. There might easily have followed serious loss to investors; a lack of capital expenditures and consequently poor service for the citizens of Montreal. This is not an exaggerated picture. It is exactly what has happened in thousands of communities across the continent.

There is some irony in the fact that the other local newspaper, in which Lord Atholstan is reputed to have more than a passing interest,

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FOREIGN TRADE

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43

FOREIGN MILLS ARE MENACE TO TEXTILE TRADES

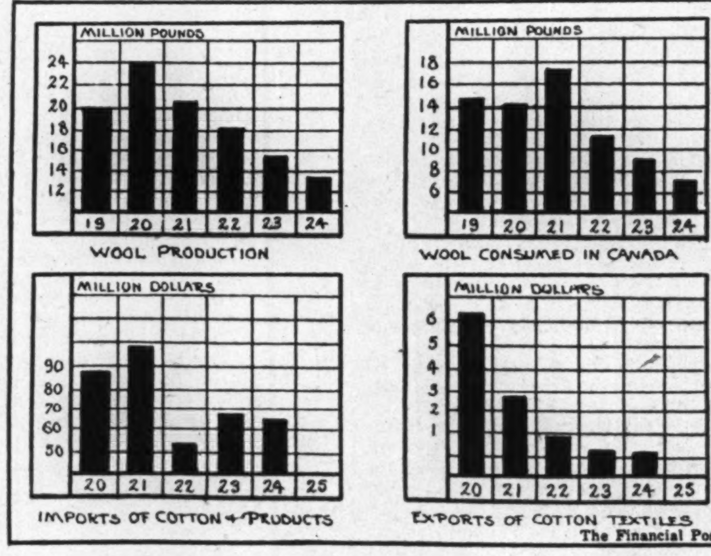
Artificial Silk Makes Inroads Upon Consumption of Cotton Goods

During the past year the cotton industry in Canada has been operating much below capacity, and, although some improvement is noted recently, there are still grave obstacles to overcome. In fact, the textile industry is working under a considerable handicap for various reasons. Probably the main difficulty is the ease with which textile goods are being obtained from abroad as a result of depreciated European exchange, as well as the preference granted to certain goods from the United Kingdom. The high prices of raw cotton interfered with buying for some time, a fact which gave impetus to the increasing use of artificial silk as a substitute for cotton fabrics. This artificial silk is presenting a problem of no small magnitude to the textile industries.

The woollen trades have also been working much below capacity, partly as a result of the same set of conditions. The British preference is an important factor, as is also the depreciated currencies, and the low production costs of certain of the European countries. Another factor which has to be taken into account is the migration to the United States of the skilled mill workers from the Canadian mills in quest of higher wages. The low prices received by sheep raisers for raw wool during the period subsequent to the introduction of a policy of control by the governments of the United States and Great Britain three years ago caused a large decline in the production of wool in Canada. During the period since 1921, the quantity of raw wool imported into Canada has increased from less than 10,000,000 pounds to approximately double that amount, while home production has fallen from 24,000,000 pounds to probably 13,000,000 pounds this year.

In the other various branches of the textile trades, such as the knit goods trade, British competition has been felt keenly. Importations of cashmere hosiery and similar goods are increasing rapidly. There is left to the Canadian mills the production of those classes of cotton, artificial silk, and silk goods, in which the European mills have not become serious competitors.

Statistics reflecting the state of the textile industries over a period of years are shown below:



The Financial Post

FOREIGN MILLS

Trade in Textile Products

	Imports	Exports
1920......	$231,559,877	$34,028,314
1921......	243,608,342	18,783,884
1922......	139,997,137	4,585,987
1923......	170,146,958	7,850,843
1924......	173,795,660	8,055,083

Silk and Silk Products

	Imports $	Exports $
1920......	34,432,789	17[illegible],461
1921......	29,720,792	343,077
1922......	21,942,388	209,715
1923......	21,155,876	391,015
1924......	21,841,422	655,556

Raw Wool

	Imports, lbs.	Pr'd'ct'n, lbs.
1920......	11,771,700	24,000,000
1921......	9,277,200	21,251,000
1922......	12,586,700	18,523,000
1923......	18,255,600	15,539,000
1924......	19,375,924	13,000,000

Cotton and its Products

	Imports $	Exports $
1920......	89,387,984	6,148,697
1921......	99,816,594	2,843,417
1922......	52,477,828	900,269
1923......	68,720,272	893,710
1924......	66,428,299	839,081

RAILWAY EQUIPMENT EXCEEDS CROP NEEDS

Large Grain Yield at Low Prices Better Than Small Crop at High Prices

From Our Own Correspondent.

OTTAWA.—The returns showing the movement of the Western grain crop demonstrate two things. One is that the general business life of the country is more directly dependent on this crop than on anything else; the other fact is that an average crop is not nearly sufficient to keep our railway equipment fully employed.

Those who complain over what they declare is the fall-down of the crop this year forget that only three times in the history of this country have the number of cars of grain inspected at this date during the crop year been greater than they are this year. The number was greater in 1923, 1922, and in 1915, which shows that this year's crop was not so small after all.

It is, however, true that the country has increased its crop-handling equipment much faster than the permanent increase in grain production. This means that there is much idle transportation equipment that the country has to pay for. An idle car is just as much a capital charge as is a full one. Indeed, it is more so, for it does not earn, while the full one does.

The returns for the crop movement also show that a big crop at ordinary prices is much better for the country than even an average crop at high prices. A big crop means a full run of business for elevators, steamships, and railways right from Vancouver to St. John. Nothing else puts so much money into circulation in the form of wages, for the railway employees are well paid.

Another lesson from the grain movement returns is that the country can afford to take a chance on increased production of grain, for in addition to a big crop being a great creator of business, it is generally agreed that wheat prices will remain high for some time.

MANOEUVERING TO GET POWER EXPORT

Evidences That American Interests Are Again on the Campaign at Ottawa

From Our Own Correspondent.

OTTAWA.—It begins to look as though there would soon be something doing in the export of new electrical power to the United States. This, of course, means from the Carillon development, which is the source that the New England industrial interests are most eager to tap. Hon. G. P. Graham says that the cabinet has the matter under advisement, which probably means that advisability of grating a long term export license is being seriously considered.

At the same time a number of very absurd reports as to the probable quantity of power available for American customers seem to have been circulated in the United States. Nothing like a couple of hundred thousand horsepower is to be had. Indeed, the general impression among engineers has been that the full development probably would not exceed 70,000 h.p.

It is probable that there may be a revival of the old controversy of the advisability of making large blocks of power available for American use. While there is much to be said on both sides, the impression now appears to prevail that with the approaching development on a large scale of the St. Lawrence power resources an adequate supply for Canadian purposes will be assured in so far as the stretch between Kingston and Montreal is concerned.

The promoters claim that the projected development cannot be financed unless a long term export license, say for 20, 25 or 30 years, is granted. This, they say, explains why the Carillon development has been held up.

ANNAPOLIS APPLE CROP

ANNAPOLIS. — Apple exports from the Annapolis Valley from the beginning of the season to the end of November, 1924, via the port of Halifax, total 582,697 barrels, as compared with 538,342 barrels during the same period a year ago.

THE MARITIMES NOT TOO BADLY OFF AFTER ALL

That is View of Easterner After Visit to Quebec and Ontario

HALIFAX.—The Maritime Provinces man who sticks too close to home these days is very likely to think that up in the neighboring provinces of Quebec and Ontario business conditions must be ever so much better than they are down here, says J. C. Stewart, editor of the Maritime Merchant, in an article written on his return from a trip to the Central provinces. Mr. Stewart is one of the best observers of conditions in the Maritimes. His article goes on:

We had this feeling ourselves when we started away on a trip to Montreal and Toronto a few days ago. And one reason why we had this feeling was that there had been no such rumblings of discontent along the banks of the St. Lawrence as for some time we have been hearing in our eastern provinces. The fact, too, that Quebec and Ontario supply the rest of Canada with manufactured goods, had a tendency to make us believe that they must be enjoying a fair measure of prosperity at the present time. We found, however, that they like most other places are having their troubles. The causes are these: One, the smaller purchasing capacity of the Canadian public to-day as compared with a few years ago; and another, the invasion of the domestic market by foreign made goods because of insufficient tariff protection. One manufacturer, who had been hard hit by the latter, declared to us that as a result of the competition from imported goods, his company had not been able to earn a dividend for its shareholders in the past two years. And he was quite despondent, too, about the prospect of securing any revision of the tariff that would give him relief; for, as he said himself, the western grain grower is now in the saddle at Ottawa, and is riding the tariff horse whither he will.

It is not because of our desire to voice the grievances of the manufacturers that we have mentioned the above, but because the reference may serve to remind our readers that people other than "Maritimers" have been having their full peck of trouble. Many people down here, we suspect, look with envious eyes on the great industrial establishments of Quebec and Ontario, but they should not forget that these factories are at times a liability, as well as an asset. It is the former we suspect that capital is finding a great many of them at the present time.

In the Maritime Provinces, chiefly because of the bad condition of foreign markets, we have suffered a long spell of bad business but to-day it can be said that a change for the better has come. It may be, therefore, that our return to prosperity is not far ahead. One need only glance at the improvement in foreign exchanges these days to see that progress is being made in that direction. What we learned in our few days of travel through Quebec and Ontario we must confess was not calculated to make us think more poorly of the situation down here.

Somebody once said to us, rather jeeringly we thought, that we never proceeded far in the solution of any problem without calling to our rescue that great panacea, printers' ink. Now this charge of course was libellous, but here is something that came to us in connection with the above observation which we think is worth noting. It is that the Canadian manufacturers who are likely to suffer least from foreign competition, are those who are selling trade-marked goods which have been well advertised. Take the Canadian paint trade as an example. They are probably feeling British competition less than most hardware manufacturers, and the reason is that Canadian consumers by the help of printers' ink, have been educated to ask for trade-marked lines of paint. When they ask for a tin of paint, they ask for it with a certain name on the label. And what is true with regard to paint, is true of many other commodities in general use in this country.

EXCHANGE ON FREIGHT

OTTAWA.—The board of railway commissioners have announced that the rate of exchange in connection with shipments of freight between points in Canada and the United States, from Dec. 15 to Dec. 31, will be eleven-sixteenths of one per cent. premium. There will be no surcharge on freight traffic.

For the same period the rate of surcharge on international passenger traffic will be based on one per cent. exchange.

Canadian Conditions

Car Loadings—

	1924	1923	
Week Dec. 6	60,915	60,645—	0.4%
ear to date	2,765,967	2,697,269+	2.5%

Building—

	1924	1923	
November	$9,363082	$7,394,406+	26.6%
11 m'ths	$106,799,206	$111,885,361—	4.5%

Bank Clearings—

11 months	1924	1923	
	$14,763,251,612	$15,316,444,418—	3.6%

Savings Deposits—Chart. Banks

	1924	1923	
Oct.	$1,189,086,750	1,141,136,278+	4.2%

Current Loans—By Banks

	1924	1923	
Oct.	$981,111,418	1,066,859,326—	8.7%

Net Dominion Debt—

	1924	1923	
Nov. 30	$2,411,754,347	$2,414,641,424—	0.1%

Railway Earnings—

Oct.	1924	1923	
C. P. R.	$19,352,340	$23,769,733—	18.6%
Oper. exp.	12,330,163	15,608,745—	21.0%
Net	7,022,177	8,160,988—	13.9%
C. N. R.	22,840,698	26,257,773—	13.0%
Oper. exp.	18,146,858	21,072,756—	13.8%
Net	4,693,843	5,185,017—	9.4%
Ten months	1924	1923	
C. P. R.	148,711,039	$154,456,095—	3.7%
Oper. exp.	121,242,979	127,043,685—	4.5%
Net	27,468,059	27,142,412+	0.2%
C. N. R.	195,325,323	206,395,341—	5.3%
Oper. exp.	184,555,659	194,280,629	5.0%
Net	10,769,664	12,114,712—	11.1%

Balance of Trade—

12 mos., Oct. 31	1924	1923	
Exp.	$1,076,632,203	$994,646,069+	8.2%
Imp.	818,671,463	911,759,278—	10.2%
Bal.	257,960,740	82,886,791+	211.4%

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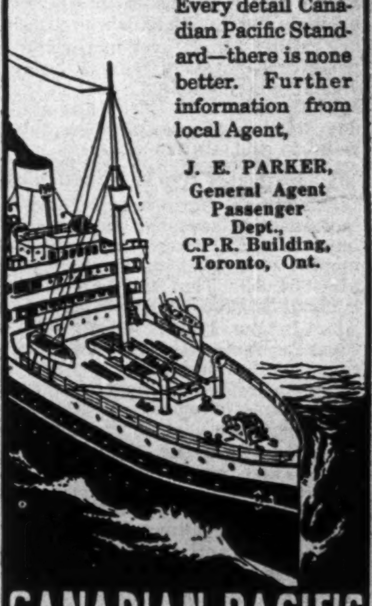

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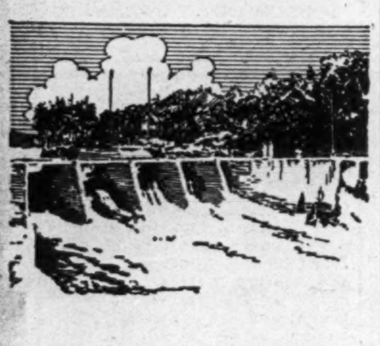

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FALL IN EXPORTS RESULT OF GRAIN BEING HELD OVER

Present Decline Will Be Made Up Later by Increased Values

From Our Own Correspondent.

OTTAWA.—Export trade during November took a slump, the total value of exports during the month being approximately $119,000,000, or about $19,000,000 below that for the corresponding month of last year. Imports were valued at approximately $65,000,000, or $7,000,000 below that for November, 1923.

The drop in the value of exports is to be attributed to the reduced exportable wheat surplus. In November, 1923, shipments of wheat to other countries totalled 64,196,000 bushels, an unusually large amount, greater even than during the whole of some fiscal years. This was worth $63,395,000, or a little less than $1 a bushel.

Last month's wheat shipments were only 26,982,000 bushels, a decrease of over 37,000,000 bushels, as compared with the quantity in November a year ago. But the increase in the price helped to narrow the spread in value, for, instead of being worth slightly less than $1 a bushel, it was worth $1.52, or a total of $41,159,000.

At this rate there will be another marked drop in the value of exports during December, as during this month last year they reached a very high figure. But there is not the wheat for export that there was a year ago. There is also a well-defined impression that owing to the existence of the Western wheat pools, it is not coming to the market nearly as fast as it did a year ago. With prices still rising there is a disposition on the part of farmers to hold. This holding-off process will, if anything, be strengthened, for those who have had to sell their wheat in order to get money have done so. The remainder can afford to hold, even if they are not in the pool.

During November, imports continued to drop, for at $65,000,000 they were about $7,000,000 below those for the corresponding month last year. They may drop again this month, but, on the other hand, as it was during December last year that they began to slump, it is quite possible that the bottom may have been reached. The impression among trade experts now is that they are too low for the good of business, in that they really indicate a much reduced home demand for general merchandise.

The indications are that from now on to the end of the fiscal year, exports will fall behind those for the corresponding months of 1923, due chiefly to reduced exports of grain. At the same time it must be remembered that up to the end of November only 59,722,000 bushels of wheat had been exported, as against 109,986,000 for the corresponding period of last year. So with wheat prices still mounting, much of the decrease in the value of exports may thus be made up.

Orillia People Not as Bad as Painted

Orillia citizens may now breathe easily again. The census department is issuing a revised bulletin on the literacy of Canadian people which carries the town of Orillia from the bottom position in that respect to very near the top.

The original bulletin of the department showed that Orillia had a higher percentage of illiterate people than any other centre in Canada of 8,000 people or over. THE FINANCIAL POST drew attention to this and explained it by pointing out that Orillia was the seat of the Ontario Hospital for the Feeble Minded and that people should not judge Orillia by these figures. THE POST took the opportunity of having the figures drawn to the attention of the census department at Ottawa. An investigation was made and it was found that the figures of the inmates of the asylum had been included in the town's population, although the hospital is outside the borders of the town.

A revised bulletin will now be issued that will show the percentage of illiterate persons in Orillia of five years and over to be 4.53 per cent. instead of 14.62 per cent. and of persons ten years and over only .79 per cent. instead of 11.48 per cent.

This is a horse of a different color and to show that its original intentions in publishing the former information with an explanation were only of the best, THE POST is glad to be able to publish the revised figures that the investigation at Ottawa brought forth.

Sees Canada as One of Biggest Oil Producers

NEW YORK.—Canada within the next few years will be producing oil at the annual rate of 100,000,000 barrels or more, and will rank with the leading oil producing countries of the world. That production will come largely from the territory of Southern Alberta, which eventually will prove one of the greatest oil fields ever known, in the opinion of P. Chester Thompson, geologist and pioneer in developing the initial oil fields in Columbia, Venezuela and on the Island of Madagascar.

Mr. Thompson recently completed a survey of the Southern Alberta district, which occupied about two years of his attention accompanied by several engineers. The party was so impressed by the geological formations there that Mr. Thompson has undertaken the task of pioneering his fourth oil enterprise.

An Ocean Freighter Loads at Head of the Lakes

PORT ARTHUR.—A shipping event of more than usual importance and significance was the loading here of the 8,000-ton ocean freighter S. S. "Lisken," of Norwegian register, with a cargo of 1,750 tons of flour. The vessel was loaded at the plant of the Ogilvie Flour Mills Company at Fort William for direct shipment to Hamburg, Germany.

On the same day there lay alongside the "Lisken," at the same dock, the motor ship "Twin Ports," taking on a cargo of flour for direct shipment to New York via the Erie Canal.

MENNONITES ARE COMING TO "WEST"

Land Deals Totalling Over Half a Million Recently Put Through

From Our Own Correspondent.

WINNIPEG.—Indicating the settlement in Western Canada of large colonies of Mennonites are the numerous land deals which have been consummated in Western Canada during the past few weeks. Deals totaling more than $500,000 have been put through recently, and many other transactions involving large tracts of land are now pending.

Those in touch with the Mennonite leaders here assert that there are some 80,000 of these people now in Russia who are eagerly awaiting the time when arrangements will be made for them to join up with settlements here. They are natural farmers, it is stated, who desire nothing else than a fair chance to make good on the land. The Mennonites, it is stated, have fared badly at the hands of the Soviet authorities in Russia, by whom they were regarded as capitalists. As a result of having incurred the enmity of the Red leaders, their lands and machinery were confiscated and their cattle driven away.

The Mennonite colonies for which arrangements are now being made differ materially from the older Western Canadian settlements of this character in that they are not at all averse to having their children educated in the public schools. The difficulties experienced by the provincial governments of the West, which resulted in large numbers migrating to Mexico, will consequently not be repeated with the new immigrants.

POLITICS A FACTOR IN HYDRO'S RATES

Charges to Householder Kept Down While Commercial Consumers Pay Double Rates

NEW YORK.—The following reference to unsound power charges under the Hydro Electric Commission in Ontario from the New York Sun: The Electrical World prints an article by W. M. Carpenter entitled "Truth About Electrical Rates in Ontario," which deals with the operations of the Hydro-Electric Power Commission.

The essence of the matter lies in one important fact, and that is that it is the policy of the Hydro-Electric Power Commission to make very low rates to the domestic consumer, placing the burden of costs mainly upon other consumers. In the United States and elsewhere in Canada privately owned companies follow the policy of dividing the costs among all classes of consumers.

Let us note a few facts as to this (1923 figure): In Toronto domestic consumers use an average of 69 kilowatt hours a month and pay 2.1 cents a kilowatt hour; "commercial" consumers use an average of 234 kilowatt hours a month and pay 4 cents a kilowatt hour. This is an extreme case; differences are not so great as this in other typical municipalities of Ontario, but in only two cities out of thirteen listed by the Electrical World was the commercial rate less than the domestic consumers' rate in spite of the much greater consumption by the former class of consumers. All cases show a plain subsidy to the domestic consumer. In only three cities of the thirteen did the domestic consumer average more than 100 kilowatt hours a month.

Taking 201 municipalities in Ontario in 1924, domestic consumers averaged 70 kilowatt hours a month and paid an average of 2.15 cents a kilowatt hour; commercial customers averaged 187½ kilowatt hours a month and paid 3.09 cents a kilowatt hour. As the Electrical World says of this rate structure: "Is it because of superior load factor or lower distribution costs that the domestic consumer, who is numerically far in the majority, is favored above the merchant? Or is for other and more subtle reasons?"

Here is an interesting example. In Port Arthur the domestic consumer pays 2.1 cents per kilowatt hour. In the year ended October 31, 1923, revenue received from electricity sold was $280,423.71 and cost of producing it, with interest on plant capital, was $173,554, leaving a deficit of $193,131, which was called "deferred and collectible out of future revenue." On October 31, 1923, the accumulated deficit so "deferred and collectible out of future revenue" amounted to $620,818.33! If a private company kept its books like that what would we think about it?

Iron Ore Production of Ontario Negligible

In view of the fact that Ontario will pay the full cent per unit iron ore bounty for ore produced in the province, it is interesting to note that for the first nine months of the year only one small iron ore shipment, 43 tons of beneficiated magnetite by Moose Mountain, Ltd., was reported. Out of a total of 700,612 tons of ore charged to blast furnaces only 8,231 tons was of Ontario ore.

DEVELOPING PACIFIC ROUTE

VANCOUVER.—Two cargoes of wheat were loaded here recently for export, which are of more than usual interest and indicate the increasing importance of Vancouver as a wheat exporter. One of 5,000 tons was for Vladivostock and the other of 1,000 tons went to Callao, Peru.

ALL POLITICAL LEADERS HAVING THEIR TROUBLES

Complex Situation Reflects Increasing National Problems

OTTAWA.—Santa Claus is not putting many nice things into the stockings of many political leaders this Christmas. Take the case of Mr. Mackenzie King. St. Antoine and West Hastings made him and his party feel happy, but the following defeat of the Liberal attorney general in the New Brunswick government took away much of the joy. Old-time campaigners say that the ice is so thin that no one knows what may happen in any part of the country. It's the thought of what might happen in a general election that increases care.

Mr. Meighen, of course, has been depressed by the results in St. Antoine and West Hastings. On the other hand he naturally feels rather happy over what happened to the New Brunswick Liberals in Moncton, which, it is represented, is but an augury of what will happen down there in a general election. So nothing but big expectations are looked for from Santa Claus in this stocking this year.

Ginger Group Busy

Mr. Forke is not feeling any too well either. True, he has not won or lost a by-election since the adjournment, but the coming session is causing concern in the ranks of his followers. Some of them don't know just where they will get off. Then the "Ginger Group" has filed such a lot of notices of motion that they bid fair to create a corner both on the time of parliament and on public attention.

On the whole the government party is feeling a good deal better just now than it did a year ago, but the wise men among them know that there are lions in the way. The serious-minded among them don't like the financial prospect, in the form of a deficit, They admit that the thing may be satisfactorily explained to a safe majority in the House, but the question with them is, how will it go down in the country? Then there is the pestiferous tariff question.

There are Smiles—and Smiles

These serious-minded, fearful fellows are being exhorted by their lighter-hearted colleagues to "pack up your troubles in your old kit bag and smile." They are also being reassured with the thought that "prosperity is just around the corner." The thing that counts in favor of these light-hearted fellows is the general impression that the world situation is bound to improve quickly and that Canada can't help but benefit. But the question that the politicians can't answer is, when can we cash in on these prospects?

No, Santa Claus hasn't many presents for the politicians this year. If they were honest they would probably admit that he will place a little more trouble in their stockings. The truth is that the country was never so badly divided along sectional lines as it is to-day. The latest spectre to haunt the politicians is the rumor of a Quebec party built on old-time lines, and strongly opposed to radical measures. Then there is the decision of the Ontario Progressives.

Senate's Sense of Humor

About the only people to stay in the field, who do not seem to be losing sleep, are the senators and the civil servants. The former think that the proposed clipping of their wings is a kind of joke; besides, they say that their position will remain unaffected as long as their tenure of office is not changed. The civil servants have probably learned from experience that they have little to fear during a general election year.

The statement that Santa Claus has little for the politicians this year is but another way of saying that Canada is becoming increasingly more difficult to govern. Politics always was a big gamble, but never more so than to-day.

Asbestos Mines Deep; Will Last Many Years

From Our Own Correspondent.

MONTREAL.—How deep are the asbestos deposits of Quebec? This question is discussed by "Asbestology," published by the Maple Leaf Asbestos Corporation, in New York. It says:

"We last year sent a questionnaire to the various mines and asked them to advise us whether they found the percentage of asbestos to decrease or increase in depth, or whether there was any change. The mines answered our question as follows: Three of them advised that the percentage of material increased with depth. Five of them advised that there was no change, and one advised that it decreased, so that we can safely count on the fact that there is just as much found 100 feet down as there will be 1,000 feet down.

"It will interest our readers to know that the oldest asbestos mine in Quebec was opened up in 1876 and is still being worked.

"In the early days, before the advent of the Quebec Central Railroad to the asbestos deposits, which was in 1878, the material was hauled 16 miles by oxen and what is to-day one of the richest asbestos properties in the world was in those days begging for capital.

"There need be no fear about the deposits of asbestos in Canada. They are the finest in the world, as well as being the largest and are capable of taking care of all inquiries put before them."

CHRISTMAS TREES FOR U. S.

VICTORIA.—Twenty-five thousand to thirty thousand young fir trees will be shipped from Vancouver Island to California for Christmas trees, according to advices received by the Victoria Chamber of Commerce.

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IF you wish to buy or sell Victory Loan or other bonds, we would remind you that we have a department especially organized to handle such transactions.
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Public officials in charge of provincial and city finance and bond dealers with securities to market, should not overlook this market in the "States" when seeking buyers for Canadian municipals. Embraced in your bond sales publicity campaigns should be publications circulating in financial circles in New York, Boston, Philadelphia, Chicago, Cleveland, Detroit, St. Louis, and other investment centers of the U. S.
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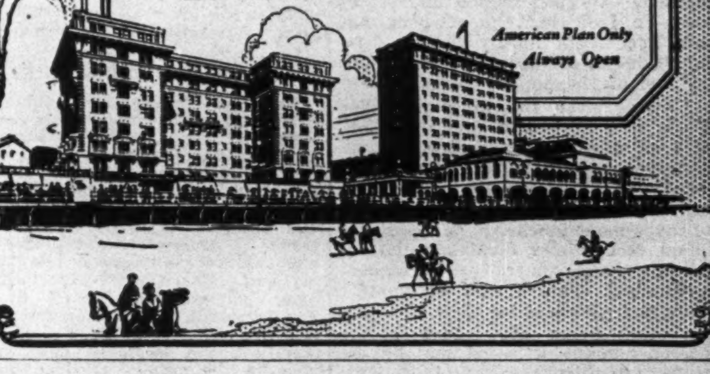

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(20 Industrial Stocks)

Week Dec. 17 High	Week Dec. 17 Low	Week Dec. 10 High	Week Dec. 10 Low	Nov., 1923 High	Nov., 1923 Low
70.6	68.0	71.4	69.0	65.1	58.9

The market, during the past week, is said to have been subject to a pair of rather depressing influences, one was a fear that the New York reaction of the week previous would take hold of the Canadian exchanges and the second, profit taking because of the near approach of the holiday season. These two factors combined to produce a mild reaction which was pretty generally felt, one withdrawing support, the other producing selling. Declines were not large, but they almost doubled the gains and were slightly more than the stocks that stood firm. Trading was in fair volume. Brokers explain buying as coming from persons of speculative bent who look on reactions as an invitation to rush in and buy. They seem to feel that the set-back has been spent, but hardly expect a resumption of an upward swing until the end of the holiday season.

Looking over the table appended below, it is noticeable that the weakness of the week appeared in all groups except the banks. They moved forward as is generally the case in such situations. Being regarded more as investment stocks, it is frequently found that profits from speculations go into bank shares as permanent investment. This is one explanation the street advances for their strength, the other being that there is still a good amount of investment buying going on. Brokers say that they would like to see prices of more of the stocks regulated, by a basis of earnings and return as the banks are. In other words they lean to the view that prices of some of the stocks are getting away from a sound basis and taking on an added speculative feature. This same view is being voiced by leading brokers in the U. S. Hayden and Stone say:

"Business is improving and there is every indication that earnings will be better in 1925 than they have been this year. Where prices are based on earnings there is no reason to expect that they will not be well sustained, or even improved, but it may well be that, hereafter, earnings and values will be more carefully considered and some readjustments made on this basis."

There is another viewpoint. That stocks are going from strong to weak hands. Advances have been quite material, though nothing like that of New York. This makes the view of the Cleveland Trust Co., of value. It makes the point that the volume of trading has been greater than ever before, but also points out that there are more stocks listed and more people to buy them than there were a few years ago. Also that, though prices are high, they are not exceptionally so, also though the rise has been material, that the start was from low levels. However, they cite some figures on the bull market that will warrant careful study.

The average duration of the eight bull markets that have run their full course since 1897 has been about 24 months. The average volume of transactions has been 400,000,000 shares, or about 725,000 shares per trading day. The present bull market is considered as having begun in the last days of October, 1923, although it might well be thought of as beginning in June of this year. If the earlier date is taken, this present market may be reckoned as having already run 13 months, and having had a volume of transactions of 300,000,000 shares, or an average of 1,225,000 shares per trading day.

In 1905, and again in 1906, the average price of a selected group of 20 stocks rose to more than 26 times the annual dollar dividend. During November, 1924, the average price of these stocks was only 18.8 times the average dividend.

The trend of the Canadian exchanges is shown below:

	Gains	Loss	Unchgd.	Total
Banks	5	2	4	11
Paper	1	6	5	12
Steel	4	7	7	18
Milling	4	4	4	12
Utilities	2	8	5	15
Transportation.	4	9	3	16
Textiles	2	3	8	13
Industrial	10	21	20	51
Total	32	60	56	148

Car and Foundry Short of Orders But Expects 'Em

From Our Own Correspondent.

MONTREAL.—In the month of November, Canadian Car and Foundry Co. shipped only one car, a storage battery car for the T. and N. O. Railway. Since early in November the company has received no orders.

Prospects are considered satisfactory for better business in 1925.

NATIONAL BREWERIES

In the past five years National Breweries has modernized and doubled the capacity of its essential plants. The money necessary for this purpose, amounting to about $4,000,000, was provided entirely out of earnings. The investment position of the common has been accordingly improved. With this construction program completed the shareholders are likely to receive more liberal treatment in future.

STEEL OF CANADA

Net working capital of Steel Company of Canada is in excess of $11,000,000, which is only slightly less than the entire outstanding common stock. Accumulated surplus amounts to $8,970,000. The company has demonstrated its ability to maintain the common dividend under favorable conditions, and in view of the improved outlook for the steel industry for next year, the common stock, which returns close to 8½ per cent. at present market price is regarded as attractive.

THE BURT COMPANIES

The Burt Companies, including the F. N. Burt Co. and the Pacific Burt Co., with their important United States connections, are sharing in the generally improved business conditions that have developed in the United States this fall. Earning power of the Burt Companies was affected to some extent by the period of depression that preceded the late recovery. Prospects, however, are the best. There were expectations in some quarters that Pacific Burt Co. would increase the common dividend before the year closed. Such a step, however, will not be taken now. It may come in the spring, provided business develops as expected.

CANADIAN GENERAL ELECTRIC

The market for the preferred shares of the Canadian General Electric has shown improvement of late. The stock is now selling around 55 which compares with 54 at the beginning of the year. At a recent meeting shareholders approved of the sale of 2,600,000 additional preference shares, and the directors are allotting a like number of common shares to the parent company, proceeds of which are to be used to retire the debenture debt. The company will then have no securities ranking prior to the preferred stock.

General Electric has one of the best dividend records among Canadian industrial stocks and among the shareholders, some of whom were perhaps a little disappointed to see the issue of bonds which was made to discharge bank loans, the decision to pay off the bond issue will be well received.

WILLIAM DAVIES COMPANY

Sharing in the general prospects for better business, the meat packing industry, which, since the war has suffered severe and even violent adjustment, has become stabilized and, judging by reports, is making progress to a more prosperous condition. In the United States such representative organizations as Allied Packers, Ltd., have been able to turn from deficits to profits during 1924 for the first time since the war. It is understood that Canadian packers are sharing in the general improvement and this is indicated by the recent stock market action on the Davies' "A" shares. This week the price was bid up to 24 as compared with 20 at the opening of the year, and a low of 11¾ in August.

The "A" shares are entitled to dividends of $4 cumulative prior to dividends on "B" shares. While there is no immediate prospect of dividends being resumed the outlook is regarded as distinctly improved.

DOMINION GLASS

That no further increase in the rate of dividend distribution on the common stock should take place until the goodwill account has been substantially reduced, seemed to be the consensus of opinion at the annual general meeting of Dominion Glass Company.

A shareholder, in raising the question, expressed his gratification that the policy of reducing the goodwill account has been maintained as shown by the financial statement of the past year, and hoped that the policy will be continued in the future. He stated that a number of common stockholders have been raising the question of increased dividends.

The president of the company, Sir Charles Gordon, agreed that it is desirable to reduce the goodwill account. He stated that this is being done and he hoped that eventually the entire amount will be written off, though this will take some time.

POSITION OF IRON FOUNDRIES STRONG

Lack of Orders Reflected in Large Total of Bonds Now Held

The improved business outlook in Western Canada is of importance to Canada Iron Foundries. This company maintains a plant at Fort William to take care of the prairie trade and it has been experiencing quiet times. Pres. V. J. Hughes in the recent annual report stated that the Fort William plant in the fiscal year ending Sept. 30 reported sales below the previous year. This he attributed to lack of demand for the company's products in the West. Other plants enjoyed better trade, but none of them were operating continuously at full time in all departments. The first half of the year, which would be up to March 31, there was an improvement over the year previous, but like the experience of other such concerns, there came a falling off until the volume was below 1923. European competition with the advantage of depreciated currency was a factor here, and, as Mr. Hughes says, forced the company to accept business in some lines at prices which were below cost. The working position of the company is strong, current assets standing at $1,980,146, with current liabilities at $208,316. Inventories at cost stand at $684,854; accounts receivable $444,307; bonds, $656,956; cash and call loans, $194,029. Mr. Hughes says the decreased bills receivable and the increased bond holdings reflect the lessened volume of business. Current liabilities include accounts payable, payrolls, etc, $91,982, and the preferred dividend of 3 per cent. payable in January, $116,334. General reserve stands at $700,000; sinking fund reserve, $121,395.

FORD OF CANADA HAS PAID $18,326,238

Two-Thirds of This in Cash and Other in Stock—Shares at New High

During the past week Ford of Canada sold at 498 at New York, and there has been a bid of 500 with no stock offering on the Toronto exchange. This is a new high for these shares. Last January and again in March they reached 485, but have been down around 450 since then, the last sale being at 450 on Nov. 6. No reason is advanced for the activity in the shares unless it is expectation in the way of melon splitting. Shareholders have not been overburdened with dividends of late years, the company having paid but 10 per cent. in 1924 and a similar amount in 1923. Earnings justified a greater payment. In 1923 they were $5,106,197 and 1924, $3,719,187, while the 10 per cent. dividend took $700,000 each year. Surplus to-day stands at $19,609,861. It is interesting to review the dividend position of the shares since the company was organized in 1906 with $125,000 capitalization, reorganized 1911, $1,000,000 capital and again 1916, $10,000,000 capital, $7,000,000 issued. Dividend payments have been as follows:

	Per cent.	Amount
1905	6	7,488
1908	10	12,500
1909	25	31,250
1910	100	125,000
1911	100	125,000
1912	500 (Stock)	625,000
1913	20	150,000
1913	33 1-3 (Stock	250,000
1914	10	100,000
1915	110	1,100,000
1916	600 (Stock)	6,000,000
1917	5	350,000
1918	5	350,000
1919	35	2,450,000
1920	15	1,050,000
1921	30	2,100,000
1922	30	2,100,000
1923	10	700,000
1924	10	700,000
Total		11,451,238
Cash		6,875,000
		18,326,238

A Better Outlook for New Year in Steel Trade

Unexpected activity marked this week in the iron, steel and metal markets, says Canadian Machinery. Inventory is well under way, the holidays are near at hand, two seasonal reasons for a let-up in buying, and yet very satisfactory orders were received during the week from manufacturing sources, and the optimism of executives, therefore, increased accordingly. Evidence continues to point to a more active market after the first of the year, in which pig iron and non-ferrous metals will be among factors contributing to an upward movement.

Fall in Our Flour Exports in November

From Our Own Correspondent.

OTTAWA.—Exports of wheat flour during November took a tumble. They were 905,336 barrels, as compared with 1,357,310 barrels for the corresponding month of last year. The value was $5,998,750, as compared with $7,107,453.

It is probable that the total exports of wheat flour for the calendar year will amount to 11,500,000 barrels.

By months the exports have been as follows:

	bbls.
January	1,052,259
February	1,091,942
March	1,397,810
April	889,654
May	1,057,487
June	904,222
July	612,980
August	626,213
September	967,440
October	1,144,771
November	905,326
December, est.	850,000
Total	11,499,794

DOMINION STORES

The advance in Dominion Stores preferred shares to a high mark of 100, the highest price in its history, reflects the prosperity of an enterprise which has been expanding rapidly. The gross turnover of the Dominion Stores this year will run in excess of $10,000,000. During the past two years the company has increased the number of its chain stores from 190 to 350.

Dominion Stores will issue 12,500 additional shares of common to be sold to shareholders at $20, they being allowed to take up one new for every two held. Rights will be worth $4 to $4.50.

Smelters Did Not Increase Dividend

From Our Own Correspondent.

MONTREAL.—Forecasts of increased dividends for Consolidated Smelters received a rude set-back when directors met here and declared only the usual 3% dividend for the half year. The board said: "Operations are proceeding satisfactorily except at Rossland, where it is hoped further development will produce good results.

"The metal markets continue favorable."

Referring to the news from Rossland that the company's ores in the Rossland mines were giving disappointing results, President W. W. Warren stated that the report was essentially correct, but that its significance had apparently been overestimated. He pointed out that the unprofitableness of operations at the Rossland mine was no news, such a condition having obtained for the past five years. The new concentrator had been looked to as a means of changing the situation in this respect, but the cost of mining is too high. Mr. Warren expressed the hope that the development work would result in the finding of new ore.

THE SHAWINIGAN WATER AND POWER COMPANY

NOTICE IS HEREBY GIVEN that a dividend of one and three-quarters (1¾%) per cent. has been declared on the Common Stock of this Company for the quarter ending December 31st, 1924, payable January 10th, 1925, to shareholders of record December 23rd, 1924.

By Order of the Board.
JAMES WILSON,
Secretary.

Montreal, December 17, 1924.

Monarch Mortgage & Investments, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend at the rate of eight per cent. (8%) per annum has been declared on the fully paid up Preference Shares of Monarch Mortgage and Investments, Limited, for the half-year ending December 31st, 1924, payable January 15th, 1925, to shareholders of record the 31st day of December, 1924.

By order of the Board.
EDWARD A. TANNER,
Secretary.

Toronto, December 1st, 1924.

Canadian Locomotive Company, Limited

Dividend No. 52

NOTICE IS HEREBY GIVEN that quarterly dividends of one and three-quarters per cent. on the Preferred and one per cent. on the Common were to-day declared payable January 1, 1925, to Shareholders of record, December 20, 1924.

G. W. DALY,
Secretary.

Kingston, Ont.,
December 10, 1924.

Canada Cement Company Limited

Ordinary Shareholders

Dividend No. 35

NOTICE IS HEREBY GIVEN that a dividend of 1½% for the three months ending December 31st, 1924, being at the rate of 6% per annum, on the paid up Ordinary Stock of this Company has been declared, and that the same will be paid on the 16th day of January next to Ordinary Shareholders of record at the close of business December 31st, 1924.

H. L. DOBLE,
Secretary.

Montreal, December 15th, 1924.

Abitibi Power & Paper Company Limited

Dividend Notice

NOTICE IS HEREBY GIVEN that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable January 2, 1925, to shareholders of record at the close of business December the 20th, 1924.

By Order of the Board.
W. H. SMITH,
Secretary-Treasurer.

The Sherwin-Williams Company, of Canada Ltd.

NOTICE IS HEREBY GIVEN that the seventeenth quarterly dividend of one and one-half per cent. (1½%), for the quarter ending November 30th, 1924, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1924, and that cheques for same will be mailed on the 31st day of December, 1924.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, Dec. 2nd, 1924.

The Sherwin-Williams Company, of Canada Ltd.

NOTICE IS HEREBY GIVEN that the fifty-fourth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending November 30th, 1924, upon the Preferred Stock of this Company has been declared payable to shareholders of record the 15th day of December, 1924, and that cheques for same will be mailed on the 31st day of December, 1924.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.

Montreal, Dec. 2nd, 1924.

Up North!

To-day is the day of the NORTH.

East, South and West in Canada continue to have their days of development. But the vast hinterland of Ontario and Quebec has captured not only the imagination, but the practical attention of the world.

"UP NORTH" is an area of broadly diversified products—gold, silver, nickel, farm crops, pulp, paper, timber and water power.

The world's foremost engineers have travelled thousands of miles by sea and rail to reach "UP NORTH."

Capitalists from England and America have come themselves or sent their ambassadors "UP NORTH."

And they have found:—

Thriving, permanent towns and homes, with all the comforts, conveniences and facilities of the modern city, built on the substantial foundation of established industries.

Extensive and profitable mining opportunities.

A fertile clay belt offering low-priced farms for the individual settler.

Pulp and paper mills fed by large forest areas and operated by water power.

Abundant water power resources for the development of all the natural wealth.

An important and increasing farming industry feeding the "UP NORTH" communities.

Everywhere great fields of industry based on natural resources already flourishing, yet the whole merely a promise of what is to come.

Write for booklet—
"Power Development in Canada"

NESBITT, THOMSON & COMPANY
LIMITED

305-7 Bank of Hamilton Bldg., TORONTO

MONTREAL HAMILTON LONDON, ONT. WINNIPEG

374

Woods Manufacturing Company Limited

Preferred Stock Dividend Notice

The regular quarterly dividend of One and three-quarters (1¾) per cent. on the preferred stock of Woods Manufacturing Company, Limited, for the quarter ending December 31st, 1924, has been declared payable January 2, 1925, to shareholders of record December 22nd, 1924.

By order of the Board.
JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, December 10, 1924.

The Toronto General Trusts Corporation

Dividend No. 114

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up Capital Stock of this Corporation for the quarter ending December 31st, 1924, being at the rate of

Twelve Per Cent. Per Annum

and that same will be payable on and after Friday, the second day of January, 1925. The Transfer Books of the Corporation will be closed from Wednesday, the 17th day of December, until Wednesday, the 31st day of December, both days inclusive.

By order of the Board of Directors.
W. G. WATSON,
General Manager.

Toronto, December 2nd, 1924.

Laurentide Company Limited

Dividend Notice

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared upon the Capital Stock of this Company, for the quarter ending December thirty-first, 1924, payable Friday, January second, 1925, to Shareholders of record at the close of business December fifteenth, 1924.

By order of the Board of Directors.
W. F. ROBINSON,
Secretary.

Montreal, December fourth, 1924.

The Consolidated Mining & Smelting Company of Canada, Limited

Dividend No. 41

Notice is hereby given that a dividend of three per cent. (3%) on the paid-up Capital Stock of the Company for the six months ending December 31st, 1924, has this day been declared, payable on the 15th January, 1925, to shareholders of record at the close of business on the 31st December, 1924.

By order of the Board.
J. E. RILEY,
Secretary.

Montreal, December 11th, 1924.

The Toronto Mortgage Company

Quarterly Dividend

NOTICE IS HEREBY GIVEN that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, be declared for the current quarter, together with a bonus for the year of one per cent., both payable on 1st January, 1925, to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE,
Manager.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 13th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
JOHN AIRD,
General Manager.

Toronto, October 31st, 1924.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1924, and, in addition, a Bonus of one per cent., making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Friday, the 2nd day of January, 1925, to Shareholders of record of 20th December, 1924.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 28th January, 1925, at twelve o'clock noon.

By order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 21st November, 1924.

THE TRINIDAD ELECTRIC COMPANY, LIMITED

Notice is hereby given that a dividend of 1¼% for the quarter ending Dec. 31st, 1924, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of January, 1925.

The transfer books of the Company will be closed from the 1st to the 10th of January, 1925, both days inclusive.

By order of the Board.
F. B. OXLEY,
Secretary.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of two per cent. (2%) has been declared payable at the office of the Company, in Montreal, on January 15, 1925, to shareholders of record at the close of business on December 23, 1924.

JOS. JONES,
Treasurer.

Montreal, December 10, 1924.

Public Utilities

EXPECT REGULAR DISBURSEMENT ON 'PEG RAIL STOCK

Directors Declared One Per Cent. Without Promises

From Our Own Correspondent.

MONTREAL.—Events have been moving rapidly in Winnipeg Electric activities during the past year. The clean-up of the company's financial position, effected by recent issue of bonds has been followed, as was forecast in THE FINANCIAL POST at time the bonds were sold, by the declaration of a dividend on the common shares. The dividend is for one per cent., but is regarded as an interim step in putting the shares on a 4 per cent. basis.

The dividend is payable February 1, 1925, to shareholders of record, January 15, 1925.

The announcement will be a welcome one to hundreds of shareholders of the company, who have not received any dividends for eight years, and whose stock has fluctuated from a high point of around 250 to less than 30. Some interest has been evidenced in the stock for two or three weeks past, and from around 26 it has steadily increased to nearly 40.

The last dividend was paid in January, 1916, for a two per cent. one. The authorized issue of common stock is $11,000,000, and that amount is outstanding, so that the one per cent. dividend now declared will require a sum of $110,000.

A. J. Nesbitt, one of the eastern directors of the company, expressed himself as pleased at the action taken by the directors, and expressed great faith in the future of the company, and the industrial conditions of Winnipeg generally. Mr. Nesbitt pointed out that during the past four years there had been nearly $2,000,000 of surplus earnings put back into the company's property, and that the shareholders were now entitled to some consideration.

Appointment of George W. Allan, K.C., to the presidency means a continuance of the policy of having a Winnipeg citizen at the head of the company's affairs.

Winnipeg Electric and Manitoba Power shareholders are interested in the announcement that J. D. McArthur has finally received his timber grant from the Dominion government. This speeds the time of commencement of erection of his new newsprint mill, which will be an important customer of Manitoba Power. Mr. McArthur acquired pulpwood berth No. 2 in Northern Manitoba at public auction, the price being $2 a cord above the required 80 cents a cord for spruce pulpwood.

The contract calls for the selection of not more than 3,000,000 cords of spruce pulpwood, for which the McArthur interests have undertaken to pay the Federal government the sum of $8,400,000 by the time the specified amount of timber has been removed from the area. They plan the erection of a 200 ton newsprint mill.

In Winnipeg there is much discussion as to the possibility of the city acquiring the street railway and of the company's activities. The company's directors are not discussing the question. Some of them, though, are known to be ready to accept any reasonable basis for sale to the city, which would leave the company chiefly a light and power company.

OTTAWA POWER

Dividends have been paid regularly on the common of Ottawa Power for seventeen years. Earnings this year are considerably ahead of those in recent years and are likely to show still further movement in 1925, when an advantageous contract for the supply of additional power comes into effect. The common stock is a high grade investment issue with good possibilities.

MONTREAL POWER

Montreal Power showed a resumption of its former stability and strength this week and while the overhanging factors in the market are not entirely removed, the situation from the standpoint of traders and investors is much improved.

The Montreal city council committee appointed to look into the company's rates, has decided to hire an expert to study rates and compare them with rates in other cities on the continent.

Attackers of the company have been basing much of their opposition on the ground that the company pays nothing for the use of the streets. The aldermanic committee learned with surprise this week that the company is paying over $75,000 a year for taxes on its poles and conduits and other properties on streets.

(See also page seven.)

Public Utility Earnings

B.C. Electric Railway

September—	1923	1924	Increase
Gross Earn.	849,483	878,418	28,935
Expenses	603,472	630,821	27,349
Net Income	$246,011	$247,597	$1,586
Agg. Gross from July 1 to Sept. 30	$2,556,877	$2,677,569	$120,692
Agg. Net from July 1 to Sept. 30	$727,007	$735,792	$8,785

Winnipeg Electric Railway

September	1923	1924	Decrease
Gross Earn.	407,597	393,871	13,726
Expenses	277,595	268,517	9,078
Net Earn.	130,002	125,354	4,648
Agg. Gross from Jan. 1 to end of September	3,923,197	3,894,118	29,079
Agg. Net from Jan. 1 to end of September	1,173,966	1,118,371	55,595

JAMAICA PUBLIC SERVICE

October—	1924	1923	Inc..
Gross Earn.	$48,438	$46,638	$1,799
Oper. exp. and taxes	31,970	31,300	669
Net earnings	16,467	15,338	1,129
Int. charges	6,642	6,267	374
Bal. for Res. Retir. and Divids.	$ 9,825	$ 9,070	$ 754

12 Months—Ending October 31, 1924—

Gross Earn.	$573,394
Oper. Exp. and Taxes	388,116
Net Earn.	185,277
Int. Charges	77,578
Bal for Res. Retirements & Div.	$107,699

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 16

	Div. Rate	Yield Dec. 15	High for wk.	Low for wk.	Close Dec. 16	Close Dec. 9	Sales for wk.	Range 1924 High	Range 1924 Low
Banks—									
Commerce	12+1	6.52	199½	197	198	197½	891	205½	178
Dominion	12+1	6.72	193½	193	193	193	213	193½	176¾
Hochelaga	10	6.76	148	147	148	147	126	154½	143
Imperial	12+1	6.83	191½	188½	191½	187	47	191½	169
Molsons	12	6.97	176	171½	171½	175¾	165	176	146¾
Montreal	12+2	5.62	250	248½	249½	248	281	250	230
Nova Scotia	16	6.00	266	265½	266	266	243	266	248
Royal	12+2	6.14	231½	227	227	232	105	240½	211
Standard	12	7.05	..	..	..	..	..	173	156½
Toronto	12	6.25	192½	192½	192¾	191½	46	195½	169
Union	8	7.54	107	106	106	106	163	109½	97
Paper—									
Abitibi, com.	4.00	6.45	62½	60½	61¾	62¾	2017	69	53
Do. pref.	7	7.08	..	..	..	..	..	108½	97
Brompton Pulp	.	....	41	30¾	31	31½	895	43	26½
Laurentide	6	7.27	85	81½	81¾	84	318	98½	79½
Price Bros.	2	5.55	36	35¾	36	36	2085	45	26½
Prov. Paper, com.	6	6.59	91	88	91	91	150	100	82
Do. pref.	7	7.25	97	96½	96½	97½	50	97½	90
Smith, Howard, com.	.	....	30	30	30	30	177	75	25
Do. pref.	8	9.52	84	84	84	84	5	100	84
Spanish River, com	7	6.79	103½	101	102¼	103½	1785	114½	96
Do. pref.	7	6.16	113½	112¾	113	113½	735	120½	100¾
St. Maurice Paper	6	7.05	..	..	..	..	..	46	32
Wayagamack	.	....	38	38	38	35½	150	46	32
Steel and Steel Industries—									
B.E. Steel, com	.	....	3	2½	2½	3	160	6	¼
Do. 1st pref.	.	....	30	29	29	30¼	85	57½	27¼
Do. 2nd pref.	.	....	8½	8	8	8½	300	17	7
Can. Car & Found, com.	.	....	48	42	47	42	710	50	36½
Do. pref.	7+1¾	7.69	92½	90	92½	91	738	97	83½
Can. Foundries, com	.	....	..	..	..	..	..	31	19½
Do. pref.	.	....	..	..	..	..	..	45	45
Canada Iron, com.	.	....	..	..	..	..	..	8	4½
Do. pref.	.	....	..	..	..	..	..	35	25¾
Can. Locomotive Com.	4	6.66	..	..	..	..	..	67	60
Do. pref.	7	7.86	89	89	89	88½	5	89	86½
Dominion Coal	.	....	52	52	52	53	100	81	40
Dominion Iron, pref	.	....	29	26	29	28	224	57	27½
Dominion Radiator	7	6.94	..	..	..	..	..	102½	94
Dominion Bridge	4	4.84	82½	80	82	82½	920	84½	79½
Dom. Steel Corp., pref	.	....	38	38	38	38	10	73	33
N.S. Steel, com.	.	....	..	..	..	..	..	8½	6
Do. pref.	.	....	..	..	..	..	..	68	34
Ontario Steel, com.	4	9.30	..	..	..	..	..	45½	39
Do. pref.	7	7.77	90	88	90	92	10	93	86
Toronto Railway	.	....	..	..	..	..	..	115	80
Twin City, com.	4.00	6.89	58	55	56½	58	1680	79	40
Do. pref.	.	....	..	..	..	..	..	99	82
Winnipeg Elec., com	.	....	35	33½	34	33	3256	36½	24
Do. pref.	7	8.40	85	83	83½	85	253	87¼	75
Textiles—									
Can. Conn. Cotton, pref.	8	....	..	..	..	..	..	80	45
Can. Converters	7	8.69	81	80	81	82	100	90	70
Can. Cotton, com.	8	7.40	108	108	108	108	35	111	85½
Do. pref.	6	6.66	91¼	90	90	90	18	91½	86½
Can. Woollens, com	.	....	..	..	..	..	..	7½	4
Do. pref.	.	....	38	38	38	37	50	41½	34
Dom. Textile, com.	4.00	6.10	67¼	65½	65½	66	947	67¼	63
Do. pref.	7	6.37	..	..	..	..	..	110	104½
Monarch Knitting, com	.	....	..	..	..	..	..	25	25
Do. pref.	7	10.00	..	..	..	..	..	82	65
Montreal Cotton, com.	6	6.41	..	..	..	..	..	100	89½
Do. pref.	7	6.60	..	..	..	..	..	107¼	104
Penmans, com.	8	5.33	151½	150	150	152	105	165	131
Do. pref.	6	6.00	100	100	100	100	10	100	92
Wabasso Cotton	4.00	6.66	..	..	..	..	..	72	47
General Industrials—									
Amer. Salesbook, com	5	....	..	..	..	..	..	47	36
Do. pref.	7	7.77	91	90	91	90	43	95	84½
Asbestos, com.	.	....	39	35½	38½	35½	892	39	19
Do. pref.	6	8.21	75½	73	74	71½	528	75½	52
Atlantic Sugar, com.	.	....	14½	14½	14½	14½	25	21¾	11
Do. pref.	.	....	..	..	..	..	..	51	32¾
Bird & Son, pref.	7	8.48	82½	82½	82½	82¼	5	89	80
B.C. Fishing	.	....	21	20¾	20¾	21½	165	25	8
Burt, F. N., com.	10	7.01	143	142½	143	141½	100	143	127
Do. pref.	7	5.34	..	..	..	..	..	136	131
Canada Cement, com.	6	6.59	91	89	91	90	601	93	83
Do. pref.	7	6.57	107	105½	106½	107	232	108	102½
Cons. Rubber, pref.	7	8.75	..	..	..	..	..	90	73
Can. Gen. Electric, com	.	....	..	..	..	..	..	58½	51½
Do. pref.	7	6.36	55	54½	54½	56	172	56½	51¼
Can. Indust. Alcohol	8	....	19½	18½	19	18¾	2532	54½	18½
Canadian Salt	8	6.66	..	..	..	..	..	120	108½
Carr. Factories, com.	.	....	..	..	..	..	..	2¾	¼
Do. pref.	.	....	..	..	..	..	..	17	15
City Dairy, com.	12	5.26	57	56	56	57	175	64	40½
Do. pref.	7	6.60	..	..	..	..	..	110	104
Crows Nest Coal	.	....	45	45	45	47	50	51½	46
Cuban Can. Sugar, com	.	....	6	6	6	7	70	13	5
Do. pref.	.	....	36	34	34	36	187	54	35½
Dom. Canners, com.	.	....	46	42	43½	46¼	1200	46½	20¼
Do. pref.	7	7.44	94	93	94	97	70	95	82½
Steel of Canada, com.	7	8.38	83½	82½	83½	83½	1702	84½	69½
Do. pref.	7	6.54	107½	106½	107½	107	63	107¾	98
Milling—									
Canada Bread, com.	4	4.16	96	92	95	91½	518	100	63
Do. pref.	7	6.73	104	101½	101½	103	131	104	95
Inter. Milling, pref.	7	7.00	100	99½	100	99½	56	100	83½
Lake of Woods, com.	12	6.48	187	185	185	186	48	188	167
Do. pref.	7	5.88	..	..	..	..	..	129	115½
Maple Leaf, com.	.	....	..	..	..	..	..	90	59
Do. pref.	7	7.07	99½	90	99½	99	69	104½	87
Ogilvie Flour, com.	12+13	6.69	375	370	374	375	32	380	304
Do. pref.	7	....	122	120	122	120½	26	121	116
Shredded Wheat, com	8+2	7.14	..	..	..	..	..	140	135
St. Lawrence Flour	6	9.09	..	..	..	..	..	75	65
Do. pref.	7	7.44	..	..	..	..	..	95	89
Western Can. Flour	8	7.49	106¾	106¾	106¾	107	5	107	98
Utilities—									
Bell Telephone	8	5.75	139½	137½	139	139	639	139½	125
Consumers Gas	10	5.97	170	167½	167½	169	122	170½	159
Dom. Telegraph	6	6.38	47	47	47	47½	8	47½	43
Kaministiquia	8	7.69	..	..	..	..	..	113½	96
Mackay, com.	7	6.04	116½	115½	114½	116½	283	120½	102½
Do. pref.	4	5.86	68½	68	68	67½	201	71½	60
Mexican Light, com.	.	....	24	24	24	24½	1	25	17½
Do. pref.	.	....	..	..	..	..	..	60	38
Mont. L.H.& Pr. Cons.	7	4.66	154	145	149¾	156	29888	187½	140½
Montreal Telegraph	8	6.03	..	..	..	..	..	53½	43
Ottawa L. H. & Pr.	6	6.34	96	94½	94½	95½	352	100	81
Quebec Power, com.	.	....	92	91	92	93	622	95½	64
Do. pref.	7	6.66	..	..	..	..	..	105½	60
Shawinigan	7	5.34	131	127	131	131	1146	137¾	118½
So. Can. Power	1.00	....	68	67	67	69	199	73	51½
Do. pref.	6	6.25	97	96	96	96	104	97	93
Transportation—									
Can. Pacific Rly.	10	6.59	152½	149½	150½	152	372	156	146¾
Can. Steamships, com.	.	....	12½	10½	11½	13	307	16	10
Do. pref.	.	....	51½	46½	47½	52¾	7237	59	41½
Traction—									
Barcelona	.	....	22	21	21	21½	221	23	12¾
Brazilian	4	7.44	54½	52¾	53½	53¼	6411	55	41½
Detroit Un. Rly.	.	....	30¾	29	30	30¾	280	72½	19¾
Duluth-Superior	.	....	27½	27	27	28	298	35	19
Illinois Traction, com.	.	....	91½	91½	91½	103	25	103	63
Do. pref.	6	6.57	91¾	91	91	92	125	94	87
Montreal Trams.	10	5.68	176	176	176	175	47	179	148
Ottawa Traction	4+1	6.34	63	63	63	63	10	63	20
Porto Rico Rly., com.	.	....	36½	36½	36½	36½	197	38	17
Do. pref.	7	8.14	..	..	..	..	..	87	66
Quebec Rly.	.	....	..	..	..	..	..	23	14½
Dominion Glass, com.	7	6.18	118	113½	114½	118	1321	121½	105
Do. pref.	7	6.26	111½	111¾	111½	110	15	111¾	102½
Dominion Stores, com.	1.00	....	33½	33	32½	33	16	36	24½
Do. pref.	8	8.24	100	96	97	96	40	100	81
Davies, Wm. (A)	.	....	25½	21½	25½	26	1032	26½	11½
Eastern Theatres, com.	.	....	..	..	..	..	..	14½	12
Do. pref.	7	9.42	..	..	..	..	..	74½	67
Ford Motor	10	....	..	..	..	..	..	485	440
Goodwins, com.	.	....	..	..	..	..	..	48½	17
Do. pref.	7	9.85	..	..	..	..	..	95	68½
Goodyear Tire, pref.	7+1½	7.69	92½	91½	91¾	92½	441	92½	71
Holt, Renfrew, pref.	7	10.76	..	..	..	..	..	66	52
King Ed. Hotel	.	....	..	..	..	..	..	21	19¾
Lyall Construction	.	....	..	..	..	..	..	21	9
Macdonald, A.	.	....	..	..	..	..	..	5	4
National Brew., com	4.00	6.52	62¾	61	61¾	62½	1631	63½	48½
Do. pref.	7	6.66	..	..	..	..	..	106	99
Pacific Burt, com.	6	6.38	..	..	..	..	..	101	91
Do. pref.	7	6.60	..	..	..	..	..	106	100
Port Hope Sanitary, com.	.	....	56½	55	55	58	174	60	59½
Do. pref.	7	7.77	90	90	90	90	25	90	90
Rogers, Wm. A., com.	.	....	48	45	48	56	36	79	45
Do. pref.	7	7.69	92½	92½	91	91	10	100	86
Russell Motor, com.	.	....	25	25	25	31	48	35	17½
Do. pref.	7	9.85	71¼	70	71¼	74	45	80	48
Sherwin-Williams, com	6	5.21	115	113½	113½	115	185	128½	100
Do. pref.	7	6.73	106½	104	104	106	166	106½	98
Sterling Coal	4	8.24	48½	48	48½	47	165	48½	40
Tooke Bros., pref.	.	....	..	..	..	..	..	40	38
Tuckett Tobacco, com.	4	6.78	59	59	59	59	5	64½	57
Do. pref.	7	7.14	98	98	98	98	40	98	92½
Woods Mfg., com.	.	....	..	..	..	..	..	35	25
Do. pref.	7	11.66	60	60	60	60	10	67	63
Trust and Loan—									
Canada Landed	10+1	6.17	..	..	..	..	..	86	78
Can. Permanent	12	6.31	188	188	188	191	2	192	179
Colonial Invest.	6	....	5	3½	5	2¾	30	7	4
Hamilton Prov.	10	6.78	..	..	..	..	..	147½	141
Huron & Erie	7+½	6.00	..	..	..	..	..	125½	120½
Landed Banking	9	6.42	..	..	..	..	..	148	138
Montreal Loan	12+1	7.02	..	..	..	..	..	46½	46½
National Trust	12	5.58	..	..	..	..	..	225	210
Ontario Loan	11	6.02	..	..	..	..	..	91½	91½
Real Estate Loan	7	7.86	..	..	..	..	..	89	85
Toronto Gen. Trusts	12	5.58	215	215	215	215	2	215	202
Toronto Mortgage	10	5.55	90	90	90	90	10	90	81½
Union Trust	7	8.23	..	..	..	..	..	85	84
Oil Companies									
B.A. Oil	8+2	7.04	35¾	35	35½	35½	1560	37¾	31½
Imperial	12	2.75	112	110	111½	112	75	121	99½
Inter. Pete.	25c	1.08	23¾	21½	23¾	23	605	24½	17
Mutual	10	4.35	11¾	11½	11¾	12	245	14¾	9¾
North Star, com.	..	....	1.00	1.00	1.00	1.00	110	1.15	.50
Do. pref.	7	8.86	3.95	3.95	3.95	3.95	50	4.00	3.25

CANADA BREAD

Transactions in Canada Bread common during the week indicate an advance in price from 92 to 96, comparing with 69 at the opening of 1924 and a high price for the year of 100. An increase in the 4 per cent. dividend is regarded as assured in view of the earnings being shown but no definite action is anticipated for some months.

THE WILL THROUGH THE AGES

Permission to execute a Will was first given to Athenian citizens by the laws of Solon. But "The Athenian Will was only an inc ate testament;" for this permission was expressly limited to those citizens who had no direct male descendants . . . In the absence of direct male descendants, a daughter who survived her father was known as not an "heiress," but a "person who went with the estate," and, in the absence of a Will, the right or duty of marrying the daughter followed (with certain obvious exceptions) the same rules as the right of succession to the estate.

Your Privilege—Making a Will

To people accustomed to the modern view of Wills and inheritance, the ancient view may well seem startling. The modern view takes for granted that everyone may make a Will—which is true; and that most people do—which is not. Many people who should make Wills—and every one owning property, large or small, should make a Will—for one reason or another fail to do so. Many estates are thus distributed by law and not as the owner would have wished. This is generally unfortunate and sometimes causes real hardship.

The ancient Greek idea was that a Will was an exceptional privilege allowed to those who had no direct descendants. The property of the average man was distributed by schedule, like that of will-less people of the present day. Fortunately legislators through the ages have come to recognize that no set of rules can fit all cases. One of the fruits of their experience is the modern freedom in will-making.

Exercise your privilege. If your Will is not made, have your lawyer draw it to-day. A Will implies an executor, and we have long experience in executorships. Do not hesitate to consult us—in confidence and without charge. Our booklet "Modern Trusteeship" is free on request.

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56-24

WESTERN LUMBER

The Canadian Western Lumber Co. reports sales of lumber for the month of September amounting to 11,020,636 feet, and the price realized $240,119, which compares with 13,662,483 feet of lumber sold at a price of $374,809 for the same month in 1923. The aggregate amount of lumber sold for the nine months ending September 30, was 89,541,956 feet, realizing $2,230,286, and for the same period last year 100,031,925

Dominion Textile Company
LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Atlantic Sugar Refineries
LIMITED

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MONTREAL

Refineries - St. John, N.B.

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Woods Manufacturing Company, Limited

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Hessians, Buckrams
Paddings and Twine

Tents
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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

LOW TAX ON WAYAGAMACK

THREE RIVERS, Dec. 15.—Property owners in Three Rivers have just given their assent to a by-law limiting the taxes to be paid by Wayagamack News Limited to a nominal amount of $1,000 a year for a period of ten years, on the $3,000,000 newsprint plant, the construction of which will begin early next spring. It was a record vote and the largest majority ever given to a municipal by-law in this city. Polling results show 478 proprietors, with a valuation of $11,800,000 in properties, in favor of the proposal, as against 18 representing $34,000 valuation dissenting. This partial exemption will be effective for 1926 taxes.

Pulp and Paper

NEWSPRINT BEING MADE BY WRAPPER MILLS IN STATES

This Production Will Come off Market in Time

From Our Own Correspondent.

MONTREAL.—A very important factor, often overlooked in discussions of newsprint situation and its relation to investors, is the fact that many mills, equipped for the manufacture of wrapping paper have turned to newsprint manufacture. These mills, largely located in the United States, are taking advantage of the present strong market for newsprint; not strong in comparison with former newsprint markets, but decidedly strong in comparison with wrapping paper markets. These mills can break even or make a little money on newsprint at $70 a ton, or even less, while they find it difficult to make money on wrapping paper at present prices.

A newsprint manufacturer has calculated that these mills produce about one-fifth of all the newsprint now being produced in the United States. In other words, there is about 900 tons per day of newsprint now coming on the market that would, under ordinary circumstances, never be manufactured. Some of the Canadian newsprint mills that are now putting in additional machines in the face of an apparent over-production of newsprint have allowed for this production from what might be called an irregular source.

What This Means

This situation, of course, injects an optimistic note into the chorus of discussions on the future of Canadian newsprint mills and the status of the holder of newsprint shares. It means that eventually, when business conditions throughout the world improve and a better balance is arrived at in wrapping paper markets, that a fifth factor will join the four that will operate to take up any slack in newsprint production and justify the construction of so many new mills in Canada. The other four are: growing population in the United States and Canada; growing circulation of newspapers as reading habits advance; growing size of newspapers as advertising volume increases; prospect of export markets for Canada in countries other than the United States.

Nevertheless, there are many newsprint producers who think newsprint prices will go still lower than the present level before the turn for upward comes. They point to the offerings of newsprint at prices under the present contract level; newsprint from Europe and from the above mentioned irregular mills that can be purchased at as low as $61 a ton, although not in large tonnage at that price.

Don't Like Low Prices

These producers, as well as the more optimistic ones who feel that no lower price level will be reached, regret exceedingly any prospect of selling newsprint at a price that means wastage of forest resources for small return.

One of the most encouraging tendencies now at work in newsprint markets is the continuous improvement in relations between manufacturers and publishers. Publishers are showing a tendency to link up with the mills that have an assured future and can continue to supply their requirements rather than take advantage of cut prices available from time to time. They are showing a tendency also to pay fair prices when asked, requiring the mills only to meet reasonable competition.

ST. LAWRENCE PAPER TO DOUBLE OUTPUT

Will Give St. Maurice Valley Daily Newsprint Production of 1,950 Tons

From Our Own Correspondent.

MONTREAL. — With the announcement that St. Lawrence Paper Mills will increase its mill at Three Rivers, P.Q., to a daily capacity of 300 tons, it becomes apparent that within two years the St. Maurice valley will have a daily newsprint output of 1950 tons. This is equivalent to more than one-fifth of the total newsprint consumed on the North American continent. It would enhance the valley's position as the world's greatest paper producing centre.

At the present time there are three towns, close to each other, producing paper in the St. Maurice valley. These are Grand Mere, where the Laurentide Company has a daily production of 275 tons of newsprint paper. Eight miles down the river is Shawinigan Falls, where Belgo-Canadian Paper Company produces a similar quantity of paper daily. At the mouth of the river lies the city of Three Rivers. Here the International Paper Company will soon be producing 450 tons a day of newsprint. The St. Maurice Paper Mill has just increased its capacity to 250 tons daily. The St. Lawrence has announced its intention of increasing its capacity to 300 tons. The Wayagamack Pulp and Paper Mills are now producing 125 tons daily of wrapping paper and have just organized a subsidiary company, Wayagamack News, which will manufacture 200 tons daily of newsprint. This makes a total daily production of 1,950 tons of newsprint, and 2,075 tons of all kinds of paper which will be increased later if the Brown Corporation goes in for paper manufacture in Canada, and if Wayagamack decides to increase its wrapping paper capacity.

Dryden Paper Running at Half of Capacity

The Dryden Paper Co., of Dryden, Ont., is operating under the receivership established in the fall of 1923. Due to the poor market for the products, the mill was shut down for three months during the past summer, but it resumed operations in September last and is now running to about half normal capacity.

H. F. Bullard, attorney for the receivers of the Dryden Paper Company, says that the market for kraft pulp which the firm is shipping into the United States, is comparatively good at the present time and higher prices are ruling for this product than last year. The sheathing business in Western Canada has, during the past eight months been very poor, but is now showing some signs of recovery. The market for wrapping papers in the prairie provinces is much improved, due largely to the seasonal demand for this grade of paper. The company is now selling its entire production of wrapping papers and has, in addition, reduced its stocks considerably.

The Dryden Paper Company is well supplied with pulp wood and is not operating any camps of its own this winter, but is purchasing in the neighborhood of 6,000 cords. The plant is in excellent physical condition, "and," declares Mr. Bullard, "the main trouble with the Dryden Co. is its restricted market. Provided that we had an opportunity of marketing our paper in the United States in competition with paper manufacturers in that country who are using Canadian Wood and Canadian Pulp, our future would be very bright. The present Canadian Government, however, does not appear to be doing anything in regard to restricting the shipment of pulp wood into the United States. We have felt for some time that, if some sort of restriction were placed on the exportation of pulp wood, it might have some effect on the Washington Government towards lowering the tariff barriers on our product."

LAURENTIDE PUTS IN SIX MILLION TREES THIS YEAR

Canada's Timber Must be "Cropped" and Not "Mined"

From Our Own Correspondent.

MONTREAL.—The Laurentide Company has put in 3,000,000 new trees this fall and will plant an additional 3,000,000 trees in the spring, all as part of its program of re-forestation, which is on a broader scale than any other Canadian company.

This information, supplied to THE FINANCIAL POST, is particularly timely in view of the publication by the Natural Resources Intelligence Service at Ottawa of a discussion of methods of re-forestation in Canada.

Forestry does not consist merely in tree planting. A brief comparison between tree-planting, as a means of perpetuating the forest, and the method of natural regeneration through proper care of existing forests, will give a clearer perspective as to the main forestry problems facing Canada to-day. Recognizing that under proper management and protection timber has the power of reproducing itself naturally; knowing, on the other hand, that with bare land and with seed it is possible to establish forest growth which in the course of years may be built up into a stand of valuable timber; it is well to consider which of these two broad methods is the more applicable to Canadian conditions.

Heavy Expenditure for Planting

Planting may entail expenditures varying from $15 to $25 per acre—even more, if heavy transportation charges have to be met. The definite tangible results secured by this method, however, strongly appeal to the public imagination; so much so, that people are liable to overlook the relative cost. As nowhere in Canada are amounts greater than 3 or 4 cents per acre being expended in the protection of natural woods (usually very much less than that), it is evident that the use of funds at rates of from $15 to $25 per acre over comparatively small areas would entirely exhaust forestry appropriations, leaving nothing for the protection and administration of the valuable timber resources made available by nature.

As a result of intensive utilization in earlier years, there was necessity for engaging in extensive planting operations in Europe; in Great Britain it is only by such means that the forest can be re-established. While the method of artificial re-afforestation provides for more rapid and more consistent growth, the method has, nevertheless, inherent disadvantages, altogether aside from cost, which even in Europe are causing the authorities to return to methods more closely approximating those of nature.

This being the experience in countries where forestry has been practised for generations, how foolish it would be for Canada to consider planting as her main problem in providing future timber supplies. Undoubtedly Canada will engage to a considerable extent in plantations, for only by this means can certain neglected areas be brought once more to a state of productivity. The high cost of planting is the price which must be paid for past carelessness in the treatment of natural forests; to these costs we must submit if in some districts we are to have anything else than weeds and waste. Having re-established the forest on such waste lands, however, future methods of forest regulation will aim once more at natural regeneration.

Canada must recognize as her main forestry problem the more adequate protection of natural timber lands, and the utilization of the latter under methods which encourage the reproduction of timber. She must abandon the wasteful methods which are nothing more than "timber-mining," and adopt in their place the methods of cropping timber. Only by such methods may Canada hope to retain for long her position as a contributor to the world's softwood markets.

Backus Interests Busy on Project in Manitoba

From Our Own Correspondent.

WINNIPEG.—Following the settlement of the Norman Dam controversy the Backus interests are preparing to start work at once at the mouth of the Winnipeg river where 500 men will probably be employed during the course of the next few days. In order to eliminate the obstruction of the flow of water at this point it is planned to excavate 50,000 cu. yds. of rock, the estimated cost of this work being $1,100,000. The settlement of the dam situation also assures the additional expenditure of $5,000,000 on the paper mill and the enlargement of the power house at Kenora.

As a result of the proposed changes the output of the big paper mills will be doubled. The present capacity of 125 tons of newsprint a day will be increased to 250 tons a day. It is expected that the enlargement work will be completed by the end of next year, at which time also there is hope that the newsprint market will be more attractive.

ON ST. LAWRENCE PAPER BOARD

The appointment is announced of A. K. Cameron as director of the St. Lawrence Paper Company. Mr. Cameron is vice-president and general manager of the Metal Shingle and Siding Company of Preston, Ont., and vice-president of A. B. Ormsby & Company, Limited, of Toronto.

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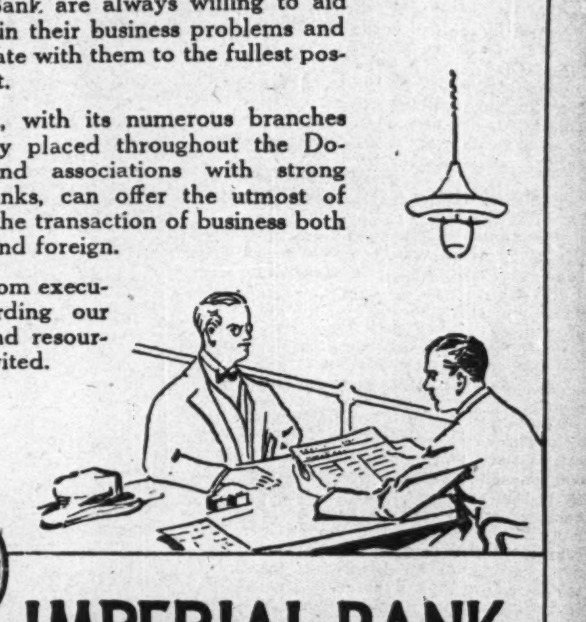

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Public Utilities

"WATERED STOCK" JUST REINVESTED SHARE OF PROFIT

Shareholders Often Wait Many Years for Their Dividends

From Our Own Correspondent.

MONTREAL.—Despite many attacks, investors need not feel that they are receiving ill-gotten gains when they next cash a public utility dividend cheque. In a paper on power distribution costs read before the Engineering Institute here, P. T. Davies, commercial manager of the Southern Canada Power Co., explained that the "water" in watered stock is usually nothing but the investors' dividends—often many years delayed. Mr. Davies said in part:

"It may not be amiss to say a word in favor of watered stock. In the minds of some of our best and most expressive citizens, watered stock conjures up a picture of prosperous capitalists by some devious process, creating in secret large issues of securities, which have no excuse for existence and which, in course of time appear from out of a maze of finance and demand their pound of flesh, thus preventing the duped customer from enjoying cheaper rates and generally increasing the cost of service.

"The real picture, however, is quite different, it is the public themselves who create the watered stock by offering new ventures no inducements to finance otherwise. The choice lies between paying high rates of interest which may throttle the venture—8 per cent. bonds are still being issued on new Hydro-Electric enterprises in this province in this year of grace and at a discount from par—or in paying a lower rate of interest when money is most needed and offering the subscribers a chance on the future profits of the company.

"The creation of too heavy a bonded indebtedness has sunk many a company and even when watered stock has helped to reduce the earlier fixed charges, the owner has often waited for dividends for many a year. In the case of the company with which I am connected, to be exact, eight years."

In dealing with the accounting practise of the companies, Mr. Davies draws attention to the fact that if sound practice is followed, it but brings down the wrath of the public once more:

"The effect of charging extensions to operating and other accounts, merely uses some of the profits on capital account, thus improving the equity of the shareholders at the expense of their dividend rate. The final effect of this practise is, that the surplus in the property due to the use of earned profits on construction account, becomes unwieldy, and the position is created where a stock dividend becomes necessary if this equity is to be restored to the shareholders to whom it belongs. The declaration of such stock dividends is seized upon by demagogues, branded as watering stock and the shareholder begins to wonder if he has received ill-gotten gains.

"As a matter of fact, if a business is profitable and can be kept so, it is often to everyone's advantage to have as little paid in dividends as possible and as much kept in the property; the profits being nowhere better invested, however, as previously stated, the results of prudence or sacrifice on the part of the shareholders seems to finally bring instead of a just reward, a public sentiment which throws such virtues into the shadow.

"It would seem unfortunately advisable, therefore, to distribute all profits as earned, to capitalize all construction account, to grow to be large rather than a profitable company and to cultivate popular sentiment rather than the strengthening of the utilities position."

It is the distribution and not the power which the consumer pays for. Even if power alone could be developed without cost, the price to the ultimate consumer would not be decreased by more than one-half cent per kilowatt hour. The greater part of what the customer pays goes to distribution and not power costs. In dealing with the future of these distribution costs, Mr. Davies remarked:

"As far as the writer's experience goes there seems no hope of cheaper lines, poles are becoming more expensive, telegraph and telephone lines more numerous, trees more hardy and the temperament of the owners of these trees more adamant. Electrical companies are rapidly becoming in the minds of those who imagine they have a claim, of the same type as railroads—'make them pay,' rather than a conciliatory attitude being the rule."

TO OFFER FURTHER CUSTOMER SHARES

Success of Western Gas Issue to be Followed up—Annual Report

Earnings of $951,734 for the year ending September 30th are shown by the Canadian Western Natural Gas, Light, Heat and Power Co., compared with $900,339 for the previous year. After paying expenses, interest, etc., and alowing $298,249 for depreciation, there was left a net profit of $12,376 compared with a loss of $315,467 in the previous year. Following are comparative figures:

	1923	1924
Sales of gas	$ 875,443	$918,597
Misc. earnings	24,896	33,137
	$900,339	$951,734
Gas purchased	123,954	192,753
Expenses	418,352	327,895
Written off.	2,293	1,757
Interest	125,238	114,674
Depreciation	5,362	4 029
Res. for deprec.	540,607	298,249
Balance	*315,467	$ 12,377

*Loss.

The report to the shareholders shows an increase of 80,000,000 cubic feet in consumption of gas, the total being slightly over 2,000,000,000 feet. The number of meters increased from 12,566 to 13,009.

It is pointed out that the rate of 48 cents per 1,000 cubic feet established by the commission in 1921, was designed to provide for return on capital, amortization, well drilling and expenses of operation and maintenance. Consumption has not, however, reached the estimated figures, and the actual revenues during the past three years have fallen far short being little more than sufficient to provide for expenses and depreciation.

In reference to the company's offer of 6 per cent. preferred shares to the customers of the company a successful campaign is reported. Three and a half days the employees of the company sold to 629 customers 2,079 shares, while the objective for the campaign was a total of 1,500,000 shares. It is regarded that the success of this issue will doubtless result in still further improving the company's relations with the public. It is the intention of the directors to authorize a further sale of shares to the company's customers some time during the coming year.

TORONTO RAILS COST CITY $12,932,800

Final Payment to Company is $1,001,800—All Points Are Settled

In so far as the city is concerned, "finis" is written on the purchase of the Toronto Street Railway. During this week the final check of over $1,000,000 was paid over to Liquidator McDougal. This winds up the whole deal so far as the city is concerned. The final decision was on the question of interest on the half million dollars paid into court. The decision reached was that the legal rate of 5 per cent. should apply. This money will be held up by the liquidator temporarily, however, as the city will have 60 days if it so desires, to go into court and contest this payment.

In the meantime notices have gone out to the holders of the 120,000 shares of stocks of the Toronto Railway that plans were about complete for the payment to them of $110 per share. This will likely reach them well before Christmas. When the balance will be paid and that it will be, is unknown. It will be seen from the table below just what the railway has cost the city, exclusive of legal fees in the long drawn out battle over the arbitrators' award. It is estimated that legal fees will run close to three-quarters of a million dollars. The figures on the cost of the railway follow:

Arbitration award	11,188,500
Privy Council ad.	295,000
Interest Charges	1,449,300
	12,932,800
Plus—	
Work orders	65,000
Stores, etc.	30,000
	13,027,800
Less—	
Snow Removal cost	50,000
Don Bridge	50,000
Tax arrears	65,000
Insurance	11,000
Percentages	850,000
	1,026,000
Total	12,001,800
Prev. Payments	11,000,000
Paid this week	$1,001,800

RAISING $3,500,000 FOR CAN. NORTHERN

Nesbitt, Thomson's New Power Company Will be Holding Company Only

From Our Own Correspondent.

MONTREAL.—In the financial line-up of the new Canada Northern Power Corporation room is left for expansion of the company's activities to include ownership of other Northern Ontario power plants as merger arrangements become desirable. The company is given an authorized capital of $7.500.000 of preferred, of which only $3,500,000 is now being issued and of 75,000 shares of common stock, of which 35,000 shares are now being issued. At the moment, the company owns no power plants direct, but it owns over 90 per cent. of the issued capital stock of Northern Canada Power Company, which owns and operates four plants.

The issue of preferred stock was offered this week by Nesbitt, Thomson and Company, who recently purchased control of the company of Northern Canada Power for the new company. The shares are 7 per cent. cumulative. They are being offered at 99 to yield over 7 per cent. and carry a bonus of three shares of no par value common stock with each ten shares of preferred.

The outstanding bond issue of Northern Canada Power Company, amounting to $4,500,000, remains outstanding as the only funded indebtedness ahead of the preferred shares of the new holding company.

Earnings of the Northern Canada Power Company have shown excellent advance, and will run about $933,000 this year, the earnings for December having been estimated. This compares with $750,000 for the year to December 31, 1922.

With its recently completed plant on the Des Quinze river the company has an installed capacity of 50,000 h.p. Not all of this has been marketed as the average load in November was about 28,000 h.p., leaving a very considerable margin for increase in earnings as the balance of developed unsold power is taken up. There are already prospects for the sale of a considerable amount of this power. The Noranda Mine in Rouyn will need upwards of 5,000 h.p. to operate the new mill and smelter it has planned.

WINNIPEG ELECTRIC

Shares of Winnipeg Electric have recently been in demand at 34 to 35. This stock opened the year at 30 but in the interval has sold down to as low as 24½. Prospects for the company are no doubt regarded as being on a better basis in view of the election of a business man as mayor of the city to succeed the representative of labor. There is also a rumor that there has been buying of the stock by Montreal interests and that the question of control is in the air. Winnipeg Electric common shares have had a spectacular career. In 1914 they sold as high as 210 when the company was paying dividends at the rate of 12 per cent. The company suffered not only from business depression in Winnipeg but from the higher costs incidental to post war conditions while at the same time having to face an antagonistic municipal administration.

George W. Allan, K.C., was elected president of the Winnipeg Electric Company and the Manitoba Power Company at the meetings of the directors of these two companies Monday afternoon. Mr. Allan was the unanimous choice of the directors for the position vacated by Sir Augustus Nanton. The directors were desirous that the president of the company should reside in Winnipeg. Sir Augustus succeeded Sir William Mackenzie, who was president prior to 1918.

YEAR'S EARNINGS OF KAMINISTIQUIA CUT BY DROUGHT

Company Hopes for Solution of Difficulties With Government

From Our Own Correspondent.

MONTREAL.—Passing through the severest drought in its history, Kaministiquia Power Company found its earnings seriously affected during the past year. It was necessary to appropriate $25,000 from the contingent reserve fund that had been set up in the previous year, in order to meet the usual depreciation charges and dividends. The encouraging statement is made by the president, Sir Herbert S. Holt, that the drought has since broken; in fact, says Sir Herbert, "we have had abnormal rains and our storage reservoirs are gradually being refilled."

Earnings for the year amounted to $613,471 gross, a decline of about $50,000 from 1923. Operating expenses have been considerably increased. Over $90,000 was paid for relief power. As a result, net income available for dividends was only $210,646 to meet the usual dividend of 8 per cent., which takes just under $200,000.

PROFIT AND LOSS ACCOUNT

	1924	1923	1922
Gross revenue	$613,471	$662,930	$493,418
Oper. and maint.	264,399	152,785	111,783
Net revenue	$349,072	$510,145	$381,635
Depreciation	44,000	44,000	44,000
Fixed charges	94,426	99,169	103,988
Net income	$210,646	$366,975	$233,647
Dividends	199,760	199,760	199,760
	$ 10,866	$167,215	$ 33,887
Cont. fund	......	125,000	....
Surplus	$ 10,866	$ 42,215	$ 33,887
No. of times bond int. earned after depre.	3.3	4.9	3.3
% earned on common	8.4%	14.7%	9.3%

Relations With Government

The president's report to shareholders sounds an encouraging note of optimism which is certain to mean much to shareholders who have been worrying about the company's future as a result of its unsatisfactory relations with the Ontario government.

Sir Herbert says on this point:

"Your directors are much concerned about the government's interference with the control of our water supply and, as a consequence, the threatened disruption of Fort William industries and your company's business. The utmost is being done to dissuade the government and it is the earnest hope of your directors that we will ultimately be able to arrange with the government to respect our charter rights and let us operate as heretofore for the combined benefit of our clients and shareholders. If the matter can be amicably arranged, we think with next year's spring freshets, that we will have sufficient water to restore our full supply.

"The growth of our territory continues to show rapid progress; Fort William is one of the most prosperous cities in Canada and promises to become one of the biggest pulp and paper centres on the continent. The administration of the city has been in capable hands—taxation has been kept at a minimum and every encouragement given to new industries."

The balance sheet shows only minor changes, the surplus being slightly reduced, while the contingent reserve fund established for the express purpose of supplementing earnings when water shortage causes interference, is down from $125,000 to $100,000.

WHY BELL 'PHONE BUYS MUCH FROM NORTH. ELECTRIC

Some Points About Contract Between the Two Companies

From Our Own Correspondent.

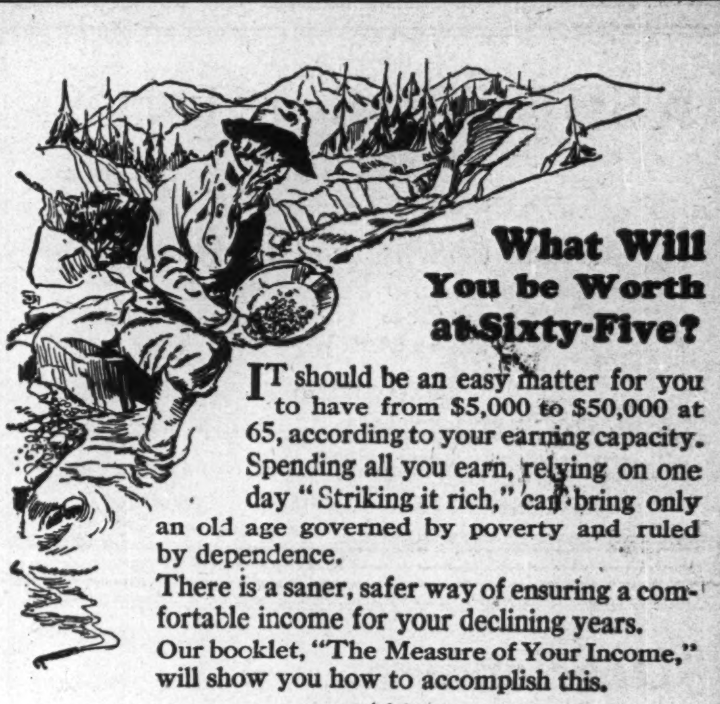
MONTREAL. — Has Bell Telephone's purchase of supplies from what is practically a subsidiary, the Northern Electric Company, worked out to the advantage of the shareholders? Has it worked out to the advantage of the general public? The first question has been raised at times by readers of THE FINANCIAL POST, who hold Bell Telephone shares. The second has been raised by representatives of the municipalities served by Bell Telephone.

Officials of the Bell Telephone Company state that the contract has provided many unique benefits and savings, in which shareholders and subscribers have participated. The arrangement between the two companies has resulted in great economies and the manufacture of more efficient equipment. The current issue of the Bell Telephone house organ discussed the relationships between the two companies in a way that is of distinct interest to telephone company's shareholders. It asks: "Why does this company buy telephone equipment and supplies so largely from the Northern Electric Company?

(Continued on page 15)

BRAZILIAN TRACTION

Shares of Brazilian Traction during the week have been selling around 53 as compared with 42 at the beginning of the year, and a high for the year of 55.



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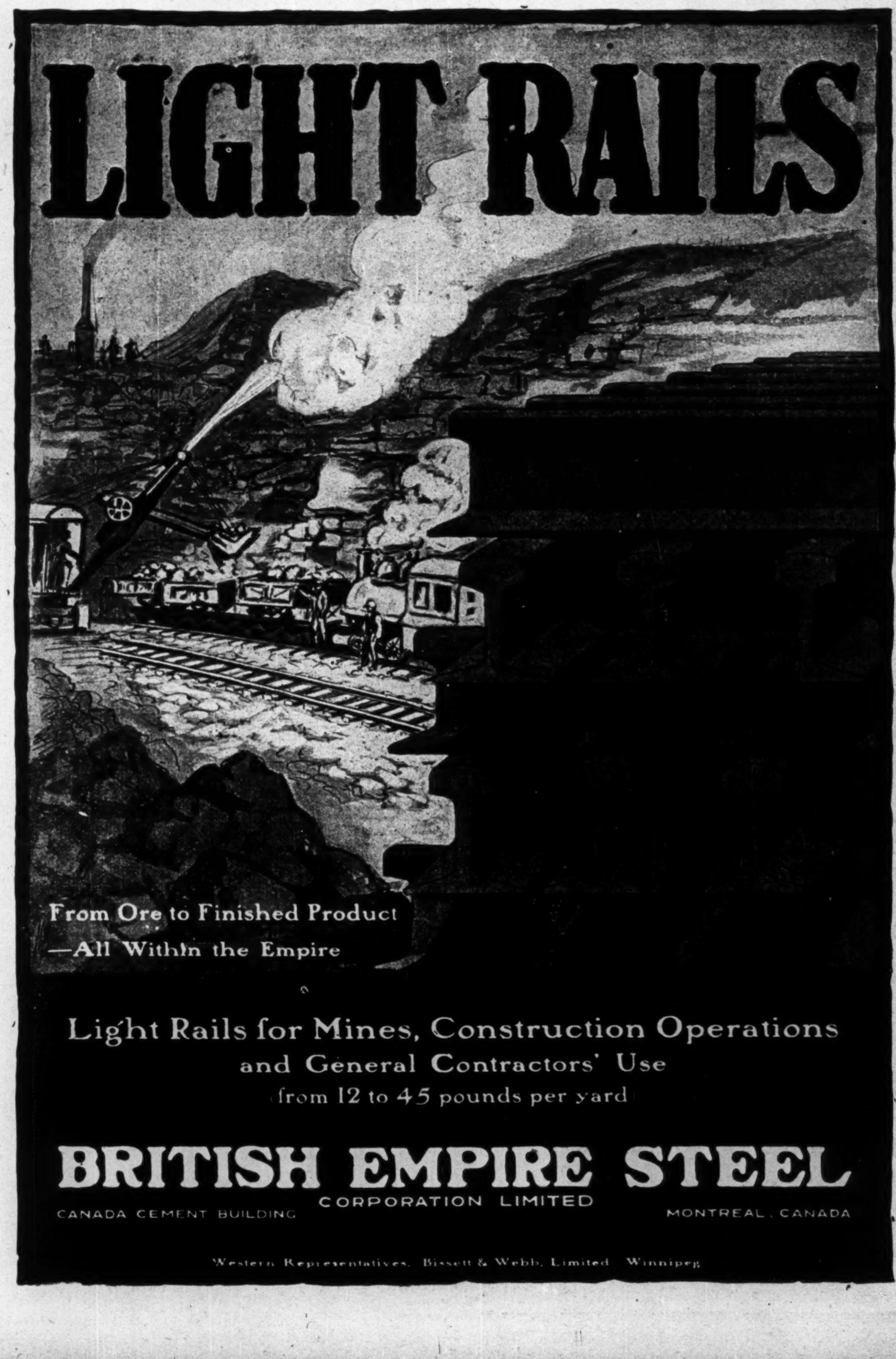

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News of the Mines for the Investor

LIQUIDATION OF MINE SHARES IS SEEMINGLY OVER

High Price Attained by Some of Stocks—List Firm

The liquidation that has been apparent in the mining market for some weeks past has either exhausted itself or has been temporarily halted owing to the nearness of the holiday season. The former seems to be the favored view as during the past week there has been considerable strength to a number of issues. Perhaps the outstanding ones were Lake Shore and Vipond. The former sold at a new high, $4.50. The prospects of better dividends over a period of years is responsible for this buying. In some sections it is being stated that 40 per cent. would be paid in 1925. The stock should not be purchased on this assumption, for it is doubtful of fulfilment. In November, Pres. Harry Oakes told THE FINANCIAL POST that he would pay a bonus in December and perhaps two next years. With the stock on a 20 per cent. basis, two bonuses would mean 30 per cent. Mr. Oakes made it clear that earnings will justify a greater disbursement, but that he wanted to get the company in a strong financial position before putting the stock on a higher basis At that, it is doubtful if the 20 per cent. basis will be changed, instead, he intimated that bonuses will be used for amounts above that. Ultimately, say starting 1926, the stock is likely to pay 50 per cent. yearly.

Vipond at $1.30 is regarded in some quarters as being high. As the stock has been around this level off and on for a year, they have been rather slow in finding this out. Besides, the stock is worth a great deal more, or has a great deal more back of it than it had when it sold up close to $1.40 about a year ago. At that, buyers should perhaps turn the market over carefully. Vipond is earning $50,000 monthly, or $600,000 yearly. Costs, because of development work, are high. It may be that the net is 10 per cent. After the turn of the year Vipond will seriously consider a new mill. It will likely be 500 tons daily, which will cost a half million. Vipond has nothing like this in cash and no stock in the treasury. How will it finance the new mill? is the question. Developments at the property are highly encouraging. Vipond will be a big producer, undoubtedly.

Consolidated West Dome seems to be working itself into a better position with the public, though so far there are no reports of any great improvement in its mining position. The stock strengthened 1½ points during the week. The disturbing factor for the boosters for the stock is that there are such large amounts available at such low prices. The question that is constantly asked is, who is selling?

Argonaut Stronger

Argonaut has strengthened materially of late, selling up to 28, whereas a couple of weeks ago it was down to 21. The mill is idle. The company's power supply was inadequate. It is cutting in on the Kirkland Lake line and decided it was wise to halt the mill and concentrate on development, meanwhile the new power should be ready by February 1, at the latest.

McIntyre at $15

Dome has shown quiet strength and Hollinger about the same. There has been some weakness in McIntyre which is standing around $15. This is unexplained, unless there was liquidation from the same sources as that of Keeley—England. Wright-Hargreaves fell off a little from the $4 mark as was to be expected. The new mill is almost certain to get under way in January, so that the higher devidends which the market has been discounting for a year seem about to be realized.

Both Kirkland Lake Gold and Beaver, the latter a heavy shareholder in the former, have shown considerable strength. The operating company selling up to 28 and Beaver to 24. The deep shaft is now drawing near the 1,600-ft level, at which horizon it is the intention to crosscut. Spectacular results are expected from the latter work. Teck-Hughes and Tough-Oakes Burnside stand about the same. No official reports as to the progress the new management of the latter is making, have been forthcoming. It is understood, however, that the policy of narrowing down the drift to avoid breaking down so much waste rock has been adopted. This was the trouble which led to the mill results of the first month making such a poor showing when checked with the assays.

Silver stocks hold quite firm, for the most part, while a few of them have done better. Keeley has been steady around 205. McKinley-Darragh has moved up 3 points following the finding of some new high-grade ore on the property. Coniagas has weakened and is within striking distance of $2 again. Coniagas will take some time to get earnings up to the point where regular dividends are warranted. The company is now developing two gold properties.

RAILWAY FUNCTIONING

The South Lorrain railway is now carrying freight, the first car of ore having been brought out a week ago. It was a car of high grade silver for Keeley. The roadway from the mines to the railway at Silver Centre is almost completed, and sleighs can pass over it at the present time. Traprock is now being laid on surface for the finishing of the road, and within a week's time it will be possible to use the thoroughfare without any interruptions by workmen.

FIND RICH QUARTZ

Road gangs, constructing a two-mile cut-off on the road from Stewart, B.C., and Hyder, up to the Premier Mine, struck a new bonanza about two miles out of Stewart. Some rock cutting had to be done to get the new piece of roadway through and the blasting exposed some rich quartz. Assays ran $800 a ton. Officials of the Premier Mines are having samples taken every 80 feet along the road.

Fight for Control of Standard Exchange

A last minute fight for control of Standard Mining Exchange has been launched. Nominations were being held. The list seemed complete, with most offices going by acclamation, when suddenly the movement reported to have been going on quietly for a change in methods of conducting the exchange broke into the open.

Frank Lorsch, who in the natural order of things would have stepped into the presidency, is listed as a representative of the old control. Phil. Kieley is the nominee of the insurrectionists. J. P. Cannon has also been nominated. There are reports that he may withdraw. For some time there has been a movement on for a change in the order of things at the exchange. The supporters of this contend that the exchange does not enjoy the same measure of public confidence that it once did, and that some radical reforms are necessary to restore this confidence. One of the important reforms advocated is a semi-annual audit of the books of the members by auditors appointed by the exchange. This is stated to have been advocated some time ago but was shelved.

Nominations will not close for a week and the election will not take place until the second week in January.

B.C. Low Grade Mines Suffer From High Tax

VICTORIA, B. C.—High taxation is seriously interfering with mining development, and capital hesitates to come here when it can go to almost any other country and be practically free from government levies, claims N. A. Wallinger, Cranbrook member to the legislature. He thought it would pay to permit new mining companies to operate without paying taxes until they had paid back the money invested.

Prospectors, he said, were disappearing from many parts of B. C. because lack of capital had robbed them of a market for their discoveries.

Present extraordinary high taxation has driven the low-grade mines out of existence. Only six or seven mines are operating in British Columbia and these all high-grade properties which could afford to pay the taxes. The low-grade properties had the big payrolls and in other countries the government policy was to encourage them rather than the high-grade mines, which could be worked with small crews.

He advocates four changes in legislation and policy:

Exemption of mining properties from all taxation until the amount spent had been returned to the investors.

Reduction of the tax from 8 to 20 per cent. on profits to 3 per cent., the same as in Ontario and Quebec.

Exemption from taxation of profits expended in improvement of properties.

Allowance for depletion of ore reserve as a reduction in capital.

Quebec Opens Testing Laboratory in Rouyn

QUEBEC.—Concrete results obtained from substantial development work done on several properties in the Western Quebec mineral belt, as well as encouraging showing obtained in prospecting and assessment work on numerous other claims, have induced the Quebec Government to move the Quebec testing laboratories from Angliers up to Rouyn to the site of the future city of that name. The large number of claims in Rouyn and the adjoining township, which are in good standing, and upon which work is being done, have convinced the Hon. J. E. Perrault, minister, the Department of Colonization, Mines and Fisheries, that this assay and testing office must be located right on the spot where mining men can avail themselves of its facilities. J. T. Donald and Company, who operate the laboratory for the government, report that in the brief period since this change was made a large number of samples have been received for assay and that the prospects are that the laboratory will have its hands full of work from now on.

THREE NEW FINDS IN SOUTH LORRAIN

S. Keora, Keeley and Mining Corp. Make Important Discoveries

Three new and important silver discoveries have been made during the past week in South Lorrain. Keeley and Mining Corporation are each credited with new discoveries while high grade has been found on the property of South Keora, which is in the north west section of the camp. Undoubtedly the largest interest will centre on this later find. Samples of the ore have been sent down to the directors. One sample shows considerable leaf silver and is fairly well impregnated with silver otherwise. It was broken from a vein leading into the shaft. Another sample is almost pure cobalt and was taken from a parallel vein while a third sample is mostly galena. The shaft on the property is down around 40 feet, and the situation is said to be quite interesting.

Mining Corporation made its find in the Watson vein of the Crompton claims. It has been opened up 17 feet and has a width 8 to 10 inches, and there is a strong showing of mineralization on the floor as well as on the back and face of the drift. The silver content has been placed at 3,000 ounces to the ton. Work is still proceeding on the upper level, where stoping operations are bringing out rich cobalt ore, the results of which are more than paying for the cost of operation.

The Keeley find is in the new western workings, but official details are as yet lacking.

Notes on Mine Progress

Manitoba's Future

Mine production will be one of the chief factors in Manitoba's future industrial development, Prof. R. C. Wallace, of Manitoba University and president of the mining institute, stated recently.

Mining Corporation

Solving of a fault zone on the old City of Cobalt property of Mining Corporation has resulted in the picking up of the faulted extension of several veins, with the result that a good tonnage of mill ore is being taken out.

Castle

While Castle Trethewey in nine months shipped 264,752 ounces of silver, actual production in that period was 473,000 ounces. Castle shares are holding strong. It would not cause a surprise if the first half of the new year would see the $200,000 preferred outstanding redeemed. This would clear the way for common dividends.

Oxford-Cobalt

Shareholders of Oxford-Cobalt approved of the programme of doing diamond drilling to locate the Keewatin-Diabase contact, from the 150-foot level of shaft 3, as proposed by J. W. Russell, general manager. The board of directors was strengthened by the election of E. A. Rea, mayor of Woodstock, and Wm. Yendal, of London, of the Richards-Wilcox Co.

Coniaurum

Two diamond drills are working from the 1,000-ft. level of the Newray property. They are seeking out data to aid further sinking operations. Work on the Newray is said to have finally reached a point where it is believed reasonable to expect favorable results. The work heretofore has been preliminary to development of the favorable area into which exploration has now extended.

Abitibi

Abitibi Gold Mines, Lightning River, have made arrangements to finance operations. Debts of some $65,000 are being taken care of and funds for eight months' development provided. A certain amount of trenching is necessary, and engineers and geologists who are acquainted with the property, are preparing a programme of diamond drilling. The purchasing syndicate further receives a call on the remaining treasury shares. By this arrangement the company benefits to the extent of approximately $340,000.

MINING STOCK QUOTATIONS
WEEK ENDING DECEMBER 16

	Div. Rate	Yield Dec. 15	High for wk.	Low for wk.	Close Dec. 16	Close Dec. 9	Sales for wk.	Range 1924 High	Range 1924 Low
Apex	..	....	3	2½	3	2½	20000	3½	2½
Argonaut	..	....	29½	23½	28½	23	74425	65	20
Atlas	..	....	4½	3¾	4½	4	13000	7½	3
Baldwin	..	....	1¾	1⅛	1½	1½	15150	7	1⅛
Beatty	..	....	2	1½	2	1½	6000	6½	1½
Beaver	..	....	24½	22½	23½	21½	36200	34½	12½
Bidgood	..	....	6	5½	5¾	6½	10900	15½	5
Boston Creek	..	....	..	..	..	..	....	10	3
Buckingham	..	....	4½	4	4	4½	45500	7½	2½
Can. Lorrain	..	....	53½	47½	47½	53	7850	73½	39
Capitol	..	....	35	33½	33½	34½	8300	39	30
Castle Tre.	..	....	74	71	72	73½	24200	81	58
* Do. pref.	7	9.39	..	..	..	..	....	60	60
Clifton	..	....	11½	9	10½	8	36500	22	6½
Coniagas	5	11.36	2.20	2.00	2.20	2.00	1056	2.25	1.15
Cons. Smelters	6	....	48½	44	47½	48½	10725	49½	30
Cons. W. Dome	..	....	16½	15	15	15½	98850	32	14½
Col. Kirkland	..	....	3½	3½	3½	3	500	7½	2
Crown Res.	..	....	49	47½	48	48½	20500	76	42
Davidson	..	....	..	..	..	..	....	5½	4
Dome Mines	2.00	14.54	13.90	13.50	13.50	13.35	3245	20.45	12.00
Dom. Kirkland	..	....	½	½	½	½	1000	1½	½
Everett	..	....	5	4½	4½	5	4500	17	2½
Gold Reef	..	....	1½	1⅛	1½	1½	2500	2½	1
Goldale	..	....	16½	16	16½	16½	5000	51	14½
Hattie	..	....	2½	1½	1½	2	136000	10	1½
Hattie, pref.	..	....	57	50	52	57	11016	59	40
Hillcrest, pref.	7	8.75	..	..	..	..	....	83	80
Hollinger	13	4.48	14.65	14.25	14.65	14.47	3031	15.00	11.40
Hunton	..	....	7	5½	5½	6	37500	12	5½
Inspiration	..	....	..	..	..	..	....	11	6
Indian	..	....	6½	4½	6	4½	27250	67	3½
Inter. Nickel, com.	..	....	23	23	23	24½	125	25	11½
Keora	..	....	8	7	7½	7½	44500	13½	7
South Keora	..	....	22	20	22	22	6500	22½	18½
Keeley	24	11.59	2.12	2.01	2.05	2.06	31085	2.68	1.73
Kirk. Lake	..	....	29	25½	28	25½	29400	29	14½
Lakeside	..	....	9½	9	9½	9½	33850	25	6½
La Rose	..	....	7	6½	7	6	2135	29½	4
Lake Shore	20+5	5.61	4.50	4.25	4.46	4.25	9634	4.50	3.41
Lorrain T. L.	..	....	1.35	1.33	1.34	1.34	5700	1.46	1.08
Lorrain	..	....	18½	16½	16½	17½	49600	30	11½
McIntyre	20	6.62	15.30	14.75	15.01	15.05	5684	18.60	14.75
McKinley	..	....	16	13½	15½	13½	60500	16½	9
Mining Corp.	..	....	2.67	2.53	2.63	2.55	2903	3.99	2.30
Moneta	..	....	15½	15½	15½	15½	2250	24	14
Newray	..	....	23½	23½	23½	24	2200	45	19½
Nipissing	12+6	9.35	6.40	6.25	6.25	6.25	845	6.60	5.85
Night Hawk	..	....	..	..	..	..	....	97	26
Ophir	..	....	2	2	2	2	7000	4½	1½
Peterson Lake	..	....	9	8	9	7½	28800	10½	7
Porcupine Crown	..	....	3½	3½	3½	2½	6400	12½	2½
Preston E. D.	..	....	9½	9	9½	8½	19900	16	8½
Rouyn	..	....	..	..	..	..	....	48	9
Teck Hughes	..	....	1.15	1.12	1.14	1.12	11425	1.34	1.05
Thompson-Krist.	..	....	..	..	..	..	....	8	1½
Timiskaming	..	....	19	19	19	19½	3050	32½	16
Tough-Oakes	..	....	38	35	35½	35	43200	75	33
Trethewey	..	....	16½	16½	16½	16½	5500	18	7½
Skead	..	....	20	19½	20	20½	2000	30	15½
Vickers	..	....	9	8½	9	8½	4000	23½	7
Vipond Cons.	..	....	1.30	1.26½	1.28	1.29	11500	1.40	95
Wakenda	..	....	2	2	2	2	1000	4	2
Wasapika	..	....	2	1½	2	2	4400	4½	1½
West Tree	..	....	3	3	3	3	53200	7	3
Wettlaufer	..	....	15	11½	12	14	3650	30	11
Wright-Har.	10+2½	3.17	4.00	3.93	3.93	4.00	2900	4.00	2.75

*Sold to Shareholders at 60c, redeemable at par $1.

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SOUTH LORRAIN GROUP

The Pre-Cambrian Syndicate, North Bay, has taken up a group of nine claims in South Lorrain, south of the Montreal River. It is planned to build camps and diamond drill to test at depth a number of veins that have been opened up on surface. In one of the veins fine leaf silver in native form is said to have been found in a small calcite vein.

SILVER AND OTHER METALS

December—	15	16	17	18
Silver—				
London (P.)	22 1/16	33	32 5/16	32 5/16
New York	68⅛	68	67¾	67⅝
Copper	14⅝	14½	14½	14½
Lead	9.00	9.00	9.25	9.25
Zinc	7.30	7.35	7.50	7.45

Current Events in Banking World

CLEVER CROOKS CAPITALIZE THE HOLIDAY SPIRIT

Need to be Unusually Alert Regarding Bogus Cheques

Far be it from my intention to write anything to unduly disturb the spirit of open-handed generosity and good-will of the holiday season, but at no season of the year is there so much need to warn bank managers and the business community generally to be on guard against the clever, petty crooks who are always matching their wits against the banker and the merchant, or other business men. Never have the activities of the cheque forger and the cheque raiser been more general or persistent than recently, and it is to be expected that these activities will culminate in the holiday season when, not only is there an unusual rush of business, but when business men are not likely to be so much on guard or when they may feel that in the spirit of the season they should permit a little latitude.

Between the petty crook and his big brother the professional forger and the banking and business community there is going on a constant battle of wits. And so far as the passing of spurious paper for small amounts is concerned, there is always a great deal of this kind of thing during a period of business depression or unemployment, when a large number of people who would otherwise go straight take the first available means to raise cash. Despite everything that has been done in the way of following up forgeries by broadcasting circulars, by the introduction of checking and cross checking systems, and the employment of modern mechanical devices, the battle of wits goes on with rather a surprising record of success on the part of the crooked gentry.

Recently have come to my attention not only a large number of cases of petty forgeries, down to as small as $2.50 for a box of candy or a couple of dollars for a subscription to a publication, but up to a cheque raised from $10 to $10,000, the work of a clever "big time" crook working on a certified cheque.

Take No Chances

While the banks have gone far in adopting preventive measures in their follow up systems and in the use of mechanical devices, bank managers and other members of the staff have constantly to be on guard. The raised cheque after acceptance is perhaps the greatest menace, because it usually involves a large amount. Acceptance stamps should be under careful guard, but even then it is possible to get a duplicate stamp made by using the mark on an accepted cheque as sample. Perforating a limit sum into the form itself is a good safeguard, and this system is being more generally adopted, although at times there may be a lapse when a cheque gets through without this detail being attended to.

Wise and experienced bank managers are now adopting the rule that will take no chances. At times there is a danger of offending a prospective customer, but they say that after all a refusal can be tactfully made, and that the man who objects to identifying himself or obeying ordinary business rules to get money is not a very good prospective customer after all. Ledger keepers and tellers should follow the same rule and take every available means to guard against cheques being raised after they are accepted. New accounts are worthy of special attention in this connection.

Merchants and other business men would do well to be likewise on guard. They should not accept a cheque unless they are satisfied that the signature is good for the amount and there should be reasonable assurance that any signature is genuine. In issuing cheques they should employ every available safeguard to prevent these being raised.

The cheque artists have been and may be expected to be a fixed feature of modern banking and in the game of wits bankers and business men must constantly be on the alert if they are not to be worsted.—J. W. T.

NO DOUBLE LIABILITY

Charles Garrow, K.C., master of the supreme court, has ruled that the National Trust Co. is not personally responsible for double liability to the extent of $5,000 on 50 shares of Home Bank stock, described as being held in trust for Sister Mary Evangeline O'Connor.

HOME BANK TAXES

G. T. Clarkson and I. E. Weldon, liquidators of the Home Bank, will ask the master of the supreme court at Osgoode Hall, if the Home Bank which failed in August, 1923, is now liable for a business assessment tax, based on business assessment made in 1923. The question concerns the bank in this city and its London branch.

Weekly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Dec. 13, 1923	Dec. 11, 1924
Halifax	$ 2,893,684	$ 3,115,592
Moncton	955,472	913,650
Sherbrooke	866,910	778,829
Quebec	6,106,235	5,096,235
Montreal	104,221,984	103,385,976
Ottawa	6,736,181	6,518,087
Kingston	796,947	738,016
Peterboro	812,419	869,512
Toronto	104,448,057	100,578,178
Hamilton	5,589,206	4,922,017
Brantford	1,101,359	889,111
London	2,723,471	2,843,931
Kitchener	981,961	944,224
Windsor	2,974,209	3,021,789
Total East	$241,210,095	$234,610,543

WESTERN CITIES

	Dec. 13, 1923	Dec. 11, 1924
Fort William	$ 1,354,608	$ 1,228,081
Winnipeg	80,705,489	87,254,862
Brandon	652,649	764,799
Regina	4,935,944	4,848,000
Moose Jaw	1,526,727	1,442,742
Saskatoon	2,264,901	2,037,646
Prince Albert	402,077	320,618
Medicine Hat	393,803	344,571
Lethbridge	580,519	626,093
Calgary	7,773,908	10,329,020
Edmonton	5,478,834	5,250,511
New Westminster	552,861	565,897
Vancouver	15,154,445	14,628,366
Victoria	1,807,965	1,881,930
Total West	$123,593,680	$131,522,636

Banker Says the Pools of Farmers Will Fail

HAMILTON.—Too much goods on the high shelves, too many idle machines, too much raw material, too much brick and mortar, too much idle capital, those were the reasons for most business failures, said J. P. Bell, general manager of the Bank of Hamilton branches of the Canadian Bank of Commerce, in speaking to the business training class of the Chamber of Commerce in the Technical School.

He explained it was not lack of capital that caused most failures, but lack of active capital. "Keep your capital at work; don't let it sleep," he advised.

Mr. Bell reviewed the various steps in the formation and conduct of business corporations and advocated open competition in business as against pools and combines. "Trusts or pools were originally formed to keep prices up or to regulate production," he said, "but they have never been successful just as the farmers' pools for marketing grain will in the long run be found unworkable. Nearly all those schemes are as ancient as Roman law and the rock on which they split is human nature. The farmers will have a bad year. The pool will not make returns and next year the farmers will have no wheat to deliver. It will belong to his wife or his children."

9.11% FOR BANKS OF FEDERAL RESERVE

Net Profits Declined Despite $59,000,000 Increase in Gross Earnings

From Our Own Correspondent.

NEW YORK.—Canadian bankers interested in banking costs and profits will be interested to know that the rate of profit on the invested capital of the member banks of the Federal Reserve system in the year ending June 30, 1924, was 9.11 per cent., as against 9.51 per cent. in the year previous. Net additions to profits totalled $337,000,000, and were $8,000,000 less than they were in the year ending June, 1923.

Net profits declined despite an increase of $59,000,000 in gross earnings, because expenses increased and because net losses charged off also increased. Total expenses for 1924 were $64,000,000 higher than in 1923, and net losses $3,000,000 more.

Gross earnings were approximately forty-five per cent. of combined capital and surplus. Seventy-two per cent. of gross profits were absorbed by expenses. One third of these expenses provided for salaries and wages and less than one-half for interest.

The highest profits were made by the banks in the New York and Philadelphia districts, while the lowest were made in the "farm districts" of Minneapolis, Kansas City and Dallas.

C.N.R. MILLION DOLLAR DEPOSIT

A few days before the end of the Home Bank's 1923 fiscal year the Canadian National Railways deposited $1,000,000 in the savings department of the Montreal branch of the bank, Victor Scott, who was manager of the branch, told the court during the trial of R. P. Gough, former vice-president of the bank. This was about May 26 or 27. The bank's year ended May 31 and on June 4 or 5 the deposit was withdrawn. The branch returns for the end of the year showed an increase in cash reserves and savings of $1,500,000 over May 27 and on June 8 were back to the May 27 level.

Staff Gossip

W. R. McCutcheon of Newmarket, has been appointed Mr. Markle's successor as manager of the Walkerton Provincial Savings Office.—The Telescope, Walkerton.

* * *

William Craik, who has been manager of the Union Bank at Newdale, Man., for the last eight years, has been removed to Cypress River.—The Tribune, Winnipeg.

* * *

C. M. C. Brunton, manager of Sarnia branch of the Bank of Nova Scotia for the last five years, is leaving the city about the end of the year to become the manager of the auditorium at Ottawa, and will relinquish banking after 21 years' service with the former Bank of Ottawa, taken over by the Bank of Nova Scotia five years ago.

With the departure of Mr. Brunton Sarnia will lose a most progressive and enterprising citizen who, in the five years he has been in the city, has identified himself with practically every movement for the advancement of the community. In business and social circles alike Mr. Brunton will be sorely missed.—The Observer, Sarnia.

* * *

To mark their esteem and warm personal regard, a number of his friends and associates on the staff of the Canadian Bank of Commerce, including several from outside points, made H. V. Franklin Jones, who has resigned from the service of the bank to engage in business in New York, the recipient of an old Georgian silver tea and coffee service and tray.

The presentation was made by Sir John Aird, president and general manager of the bank. Sir John referred to the fact that Mr. Jones had just completed his thirty-seventh year of service in that institution, and that it was with very real regret that they were bidding him farewell.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Dec. 11	17-32	7-16	2 5-8	2 9-16
Dec. 12	19-32	1-2	2 11-16	2 5-8
Dec. 13	11-16	5-8	2 11-16	2 5-8
Dec. 15	11-16	1-2	2 5-8	2 9-16
Dec. 16	5-8	17-32	2 5-8	2 9-16
Dec. 17	9-16	3-8	2 19-32	2 9-16

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Dec. 11	4.69¼	5.34	4.30¾
Dec. 12	4.68¾	5.34¾	4.31
Dec. 13	4.69¼	5.35½	4.30¾
Dec. 15	4.69 1/16	5.37¼	4.31
Dec. 16	4.69⅛	5.38¼	4.30¾
Dec. 17	4.69	5.34¾	4.29¾

BRANCH BANKING INCREASING IN U.S.

Development for Better Service Continues Despite Country Bankers

NEW YORK.—Branch banking is increasing in the United States, despite the protests of the country bankers, if a report just published by the Federal Reserve Board is any indication of the trend of events. There was well over two thousand branch banks in the United States in July, 1924, according to this report. On the same date in 1923, the total was about 1,800. In 1920 it was a little over 1,000, and in 1914 only 500. In ten years, therefore, the number of branch banks operated in the United States has increased four hundred per cent., and now totals about half of the total branches of the Canadian chartered banks.

The greater part of the branch banks at present in operation are conducted by state chartered institutions located in any one of seventeen states. The banks of California head the list with 675 branches and are followed in the order named by Georgia, Tennessee, North Carolina and Virginia. About two-thirds of these branch banks are operated within the boundaries of the cities where their head offices are located.

Most of the branches are maintained in the larger cities and no branches operated in banks in cities with populations of over a million have branches outside the limits of the city.

More than half of the banks operating branches are non-members of the Federal Reserve system.

ATHOLSTAN GIVES HIS HISTORY OF MONTREAL POWER

(Continued from page 1)

has come out staunchly in defence of the very policy that Montreal "Power" has adopted. This paper said in an editorial this week:

"It should be borne in mind that the company, by reason of the character of its management, does keep well abreast of development in Montreal and that it is one of the comparatively few large corporations which provides for public needs at rates that are reasonable in comparison with other centres and that, at the same time, provides a source for investment which has had the confidence of people looking for sound local enterprises in which to place their surplus funds.

"A poor or badly managed company would inevitably increase the cost to consumers, whereas a well-managed company is able to make a profit out of charges that would bankrupt a poorly managed company. The attraction of profit is the main incentive to good management, so that the thing works both ways.

"In the last analysis a prosperous business firm, private or public, owing to its good credit and efficiency in management can serve the public cheaper than a poor company badly managed and without credit."

Big Rise in Share Values

The articles contain interesting information for the investor and extracts are published below. So far, nothing has been brought out that is not common record; the objectionable features of the articles from the investor's standpoint being the effect on the public of the false inferences such as those mentioned above rather than the circulation of information that is in the main accurate, and which provides more ground for eulogy of Montreal Power's careful management than for criticism of its treatment of the public. But at the moment it is not apparent whither the trend of the attack will lead, and what final conclusions may be drawn.

Extracted from Article One

"The Montreal Light, Heat and Power has grown from comparatively small beginnings to one of the largest public service corporations on the continent. The men who built up the corporation were all shrewd business men. The history of the development is one of continued and persistent advancement in profit. Comprehensive powers secured from government in charter rights made the ammassing of wealth more easy and more complete

"The story of stock-splits, mergers, increased capitalization and dividends, and the provision of reserves until original $100 shares in the Royal Electric Company became seven and a half shares of Montreal Light, Heat and Power Consolidated will be of absorbing interest to the general public of Montreal and district and more particularly to consumers.

"Some idea of the appreciation of power earnings since the first merger of the Montreal Gas Company, then under the direction of the successor to Mr. Jesse Joseph; and the Royal Electric Company, directed by Sir Rodolphe Forget, can be gained from a reference to the high market price of shares of Power Consolidated for the current year.

"A shareholder, still living, owned 180 shares of Royal Electric which shortly before the merger he valued at $28,000. To-day those 180 shares, now amounting to 1,350 shares of Power Consolidated, figured at the high market price for the year, have an apparent value of $253,800. This is disregarding entirely rights to purchase subsequent stock issues at par and does not include annual interest payments."

Extracts from Article Two

"Montreal Light, Heat and Power Consolidated is essentially the child of the president of the corporation. He had the assistance of Sir Rodolphe Forget and others but fundamentally the president created the power organization as it exists in the Metropolis.

"In the first instance the president of the Montreal Light, Heat and Power Consolidated was president of the Montreal Gas Company, a strategic position he wrested from the late Jesse Joseph in one of the first struggles for power mastery. Not long after he secured control the foundation for the successive mergers was laid and the campaign toward concentration commenced.

"The first step reached fruition in May, 1901, when the Royal Electric Co. and the Montreal Gas Co. were merged. The St. Lawrence Light and Power Co., formerly the Chambly Manufacturing Co., was taken in at the same time. The resultant organization, known as the Montreal Light, Heat and Power Co., was capitalized at $17,000,000 and the stock of the Royal Electric Company and the Montreal Gas Co., paid for at the rate of two and one-half for one. In order that the plan might be carried out the stock of the two merging companies was raised to $250 a share within a comparatively brief period."

Extracts from Article Three

"The company next directed its attention to securing control of the smaller competitive companies in the district. In a report dated April 30, 1903, it is shown that the sum of $4,000,000 in bonds was authorized wherewith to purchase The Lachine Rapids Hydraulic and Land Company, The Citizens' Light and Power Company and the Standard Light and Power Company.

"By 1905, The Temple Electric Company, Consumers' Gas Company of Montreal, Limited, and The Provincial Light, Heat and Power Company, with its water rights on the Soulanges Canal, were absorbed by Montreal Light, Heat and Power and their charter rights added to the powers possessed by the combined concern."

Extracts From Article Four

"The true meaning of the foregoing resume of the stock (Royal Electric) increases leading up to the merger can be better appreciated when it is stated that a gentleman still living in Montreal sold 2,000 shares of Royal Electric at the time of the merger at the price of $250. He realized $500,000.

"If, however, he had retained those shares and exchanged them for shares of Montreal Light, Heat & Power, he would to-day have held 15,000 shares of the consolidated company, which figured at 188, represents $2,820,000.

"The sum of $2,820,000 referred to does not include dividends paid in the interim at rates ranging from four to seven per cent., nor, and, which is quite as important, the right to purchase new stock issues at par."

Alcohol Profits Grow 40 Times in Five Years

MONTREAL.—Next week will see the new dividend rate on Canadian Industrial Alcohol established. A rate of $1.25 a share seems a possibility. This would be the equivalent of 10 per cent. on the old stock as against 8 per cent. paid during the past year.

On December 23 the directors will meet to take dividend action on the new stock of the company, and as yet there has been no definite intimation as to the rate. The president placed before the gathering some interesting figures, indicating the progress made by the company since its inception.

The profits in 1918-19 were at approximately $41,000; in 1919-20, at $121,000; in 1920-21, at $7,185; in 1921-22, at $222,400. In 1921-22 the capitalization of the company was increased from $5,000,000 to $10,000,000. For the year 1922-23, the profits amounted to $1,020,000, and for the past year 1923-24 the profits were $1,500,000.

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"We go on forever"

Soviets Ask Canadian Firms for Advertising

MONTREAL.—Russia's hopes of getting back into foreign trading are emphasized by the announcement of a local accountant that he has been authorized by the trade delegation of the Union of Socialist Soviet Republics in Canada (acting on behalf of the trade delegation of the Soviet union in Germany) to receive advertisements for "The Commercial Bulletin" published in Russian at Berlin. He says: This is the weekly official organ of the foreign trade department of the Soviet union government, which controls all import and export business. This journal, therefore, is the only advertising medium open to merchants and manufacturers wishing to open import and export business with the 130,000,000 inhabitants of the Soviet union."

The announcement is going out to Canadian firms.

The Future of

Twin City?

—frankly discussed in our current bulletin. In view of the crisis in the affairs of the company, we think that shareholders and investors will find our bulletin very interesting.

Ask for a copy.

Truax, Carsley & Co.

Members Montreal Stock Exchange

96 Notre Dame St. West, Montreal

Telephone Main 3618

Canadian Pacific Financial Policies

A POLICY of keeping down fixed charges on capital and of avoiding mandatory interest obligations has enabled the Canadian Pacific to hold its fixed charges to a minimum of $13,470,653 for 1923. Of this sum only $1,800,000 represents interest on mortgage bonds and $1,600,000 in rentals.

The balance, $10,000,000, is interest on 4 per cent consolidated debenture stock.

Capital charges can only be kept down by avoiding unnecessary increases in capital.

Expenses of up-keep, repairs and maintenance costs which are not of a strictly permanent character are never charged to capital in Canadian Pacific accounting.

So that, while in 1923, in the western provinces, 231 miles of new lines were graded and 347 miles of new track were laid, with additions to the main lines and branches and expenditures on leased and acquired lines, shops and equipment, totalling $17,600,000, the fixed charges for that year increased by only $121,747 and preference stock dividends by only $447,733.

Because of years of careful and honest management, the Company has accumulated assets in acquired securities of leased lines, securities in controlled companies and miscellaneous investments of $214,852,000. These investments contribute largely to the dividends paid to shareholders, only a portion of which are paid out of actual railway earnings.

These policies of careful financing and conservation of assets for the benefit of shareholders have given the securities of the Company a standing and credit in the world's financial centers which enable it to finance economically and redounds in no small degree to the benefit and credit of Canada.

At the same time it has enabled the Company to give to Canada much lower freight and passenger rates than those of the United States and as low, or lower, than those of any other country in the world.

CANADIAN PACIFIC

Canada's Most Important Asset

13

THE FINANCIAL POST

Member Audit Bureau of Circulations
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Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Editor—J. W. TYSON

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, DECEMBER 19, 1924

MUST LOOK TO EUROPE

CANADA'S ambitions to secure British settlers for her undeveloped arable areas are bounded by the possibilities for such immigration—and the possibilities are decidedly limited. This was pointed out by THE FINANCIAL POST a year ago in urging the necessity for looking to Europe for settlers whose experience was such as to insure their success as pioneer farmers in new Canada. At that time we referred to the results of the investigations of Colonel Dennis, of the C.P.R., who, a year earlier, had reported after a thorough survey of the situation, that no great number of settlers could be expected from England, and that efforts should rather be directed to securing suitable emigrants from the Continent. And now Ontario's agent-general, W. C. Noxon, again makes the point in explaining the results of his efforts in securing settlers which have only attained marked success in the case of child migration; Mr. Noxon has done a very valuable work for Canada in this respect.

When it is explained that Great Britain has only about 3,000,000 people living on the land, and only about 1,000,000 of these engaged in farming, it is not difficult to appreciate the limitations of this field for securing experienced farmers as settlers. The great majority are either so well settled that they do not look with favor on a change or they are not physically fit or financially able to consider the adventure. As for other classes of workers, Mr. Noxon calls attention to the fact that with unemployment doles and old age pensions there is not a country in the world that can offer anything more attractive, even if Canada were particularly interested in inducing this class to migrate.

ANOTHER OPTIMIST

PROFESSOR MANLEY O. HUDSON, of Harvard, tells the students of Toronto University that by slow degrees the United States is coming closer and closer towards membership in the League of Nations. The professor may know something about international law, but he seems to be out of touch with public opinion. The Republicans are again in power in the United States, and more confirmed than ever against the league, and the Democrats either side-stepped or repudiated it during the campaign. It is only the Borden-Foster-Rowell idealists and the Toronto Star Communists who have any use for it in Canada.

It is worth noting that the tours were arranged and the expenses paid of two of its leading advocates, who lectured in the United States and Canada, by interests that all through the war were closely allied with enemy countries.

Canadians who oppose Premier King in many of his non-Canadian policies are strongly with him in his refusal to commit this country to a part in a Near East war in the interests of foreign exploiters, or the equally dangerous League of Nations projects.

FARM LOANS AND FARM CREDIT

THE Grain Growers' Guide says:—

"If the POST can show where the conditions it mentions have alone ever brought money to farmers at commercial rates from private enterprise in this or any other country we are willing to reconsider the proposition regarding the use of public credit."

The Guide has reference to a recent editorial of ours respecting interest rates and mortgage funds in Western Canada in the course of which we observed that the best way to get cheap money for farm loans was by reasonable assurance that the money would be repaid and by Governments refraining from interfering between debtors and creditors.

We frankly say to the Guide that we know of no country where the farmers have not been able to obtain credit at commercial rates where the conditions mentioned obtained. Whenever, in Canada, farmers are able to retire their obligations as arranged by contract with the lender, then interest rates will drop because there will be offered more money at less than current rates than they could use to advantage.

A large proportion of the farmers in the Canadian West, known to lenders as reliable and who have security, are at present able to borrow money from private enterprises at current commercial rates. Of course, rates vary in accordance with conditions. Money, like wheat, has its market value. Lenders must determine the rate to be charged for its use in accordance with the risk assumed.

Rates generally charged the farmers are as favorable, considering the risks assumed and measured by practical experience from a commercial standpoint, as those to which commercial houses, strictly speaking, are subject. The loss sustained by lenders from loans made to the latter class is much less than the loss sustained by making loans to farmers in the prairie provinces. Rates are adjusted accordingly. If at the present time rates for farm loans, short or long, are high the Guide can rest assured that of the loans made many are not likely to be repaid.

There is an abundance of funds available for all purposes at the present time, so it is not a question of supply, but simply one of security. The assurance that money will be repaid and that Governments will refrain from interfering cannot be too often reiterated, the chief factor in determining the cost of either long or short credits.

THE FACTS VS. A THEORY

THERE were no surprises in the report of Judge Snider on the Settell charges of irregularities in connection with the affairs of the Ontario Hydro. The public did not expect revelations of serious losses through misappropriation of funds. But the references to "reprehensible and improper" actions in the placing of contracts and to "censurable nepotism," in the way insurance commissions were handled, together with the general indications of laxness and inefficiency illustrated by the cashing of an improperly issued cheque for about $30,000 by Settell himself, and of other iregularities brought out during the inquiry, was sufficient to increase the apprehension which has been felt regarding the whole enterprise.

The inquiry in its very nature was anything but satisfactory. In the first place the charges placed before Judge Snider were not those made by Settell himself, but only based on Settell's statements. Then Settell, facing a charge for theft, refused to support his charges when undoubtedly his opinion was that there was much greater danger of damaging than helping his case thereby, and when it was shown that opportunity and facilities were not available for him to bring in supporting evidence if he did so.

The Hydro projects involve, perhaps, a couple of hundred millions of public funds for which the taxpayers of Ontario are responsible. The success of the whole undertaking is not a matter of principle or of theory, as public-ownership enthusiasts seemingly assume, but of business-like administration and efficient operation. And that there is grave reason to doubt, in view of the Settell inquiry, that the enterprise is being managed as it should be. This, coupled with the deduction from the statement of the provincial treasurer that ample appropriations are not being made for sinking funds to take care of the investment made by the province, creates a situation which is anything but satisfactory to tax-burdened individuals and business concerns.

EDITORIAL NOTES

ACCORDING to the Toronto Globe the United States is all going to the dogs for want of an Adam Beck—but is it?

* * *

THE public-ownership newspapers are declaring that the Snider inquiry was another effort to "get" Sir Adam Beck. Perhaps we are to infer that for twenty years Sir Adam's confidential secretary was in the pay of the "big interests."

* * *

THE stage settings for the forthcoming federal election include one of gloomy depression as the background of one party and one of glowing optimism for another. All of which gives opportunity for the independent business newspaper to tell its readers the true significance of the events represented and something also of what is going on behind the scenes to produce the various stage effects.

* * *

"INDUSTRIES move Southward in United States, for cheaper labor, more plentiful power and to be nearer raw material," says a Washington despatch. Apart from the cheaper labor there are just as strong arguments why industries should move north. We have particularly in mind the pulp and paper plants which would undoubtedly move from the United States to Canada if it were not more convenient and cheaper to manufacture paper from Canada's freely-exported pulpwood on the other side of the border.

Bogey or Menace?

The United States Financial Conquest of Canada

Is the apparent conquest of Canada by American dollars and ideas a menace to Canada, or is it a natural and satisfying feature of our national development?

This question is receiving considerable thought in Canada to-day, and newspapers, public men, and others, are aligning themselves on either side of the fence in editorial and public expressions. Even luncheon clubs are hearing views on the subject, "United States dollars and their economic, social, and even political influence in the Dominion." A speaker before a Maritime Rotary Club spoke a little while ago on the "American Conquest of Canada." Economically, politically, socially American control over us grows daily," he said. He pointed out that American investments have grown five-fold in Canada in the last ten years. After elaborating on this trend, he expressed a definite fear that this economic leadership of the United States was becoming a menace to Canada. "Unless a profound change be effected in the policies guiding the destiny of our country. Canada will be completely at the mercy of the United States in two decades at the most." This was the speaker's conclusions. He was an avowed Imperialist, it might be said.

There are to be found numerous folks who see no menace in heavy United States investments in this country—who see no possibility of this large investment ever having any important political significance. The view expressed by the Detroit Free Press is along this line. It said, in reference to the revelation that the United States now has a more important financial stake in Canada than Great Britain: "There need be no feeling of jealousy or uneasiness over any special influence, real or fancied, which the United States may seem to obtain in the Dominion because of its large financial interests there. America has no designs on Canada." Similarly, an official of the United States government publication, "Commerce Reports," stated only a few weeks ago: "The fear so often present in debtor countries that their creditors will strive to obtain political control is practically non-existent in Canada. It has never been necessary to call on diplomatic agencies to exert pressure for the sake of obtaining concessions or enforcing contracts. The investment of American capital in Canada, therefore, is probably the finest example in history of the benefits of foreign investment to both countries concerned, and has been entirely free from the unfortunate political and financial features that make 'international banking' a term of reproach." These are American views scoffing at the possibility of the United States becoming the political foster-mother of Canada, the next step in her development of interest in this country.

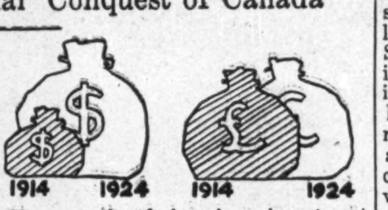
Nearer home we find "La Presse," the French-Canadian daily of largest circulation, discussing what it considers the bogey of United States financial supremacy here. It says: "Since the war, Canada has found within her own borders an increased proportion of capital that has enabled her to provide from her own domestic means the major portion of her financial needs. Is this the time, then, when we see Canadian capital set free in such a notable manner, that fears can reasonably be entertained of having to succumb to a supposed supremacy of United States capital? Moreover, the question of exchange will explain the difficulties that British capitalists have had to encounter in interesting themselves in our loan demands. The day that obstacle disappears will see British capital flowing this way once more to help consolidate our financial and economic independence. That will, indeed, be a good and sane imperialistic work."

Those who read the British press might wonder if that country will ever again become a source of much investment money for Canada. The British papers are prone to talk much about British losses in Canadian investments, and little about the contributory negligence that helped to bring about those losses. But it was ever thus. John Bull complains and carps critically, but he admits his blunders, forgives and forgets the mistakes of others, and proceeds in the old groove. British capital will come to Canada as long as its flow is controlled, not by human impulses, but by economic laws.

It might be recalled that when Sir Hugh Allan was trying to raise capital for one of his railway schemes, that was later incorporated in the C. P. R., the "Economist" openly voiced its suspicion of Canadian railway investments, and "The Times" said: "Let Sir Hugh Allan build his railroad by all means—but with Canadian money." Yet only a few years later there were 90,000 shares of C. P. R. stock sold in London, and numerous subsequent issues made.

Discussion on the question of American financial influence in Canada has been renewed by the appearance of a somewhat undiplomatic phrase in the American government publication referred to. The publication said "Economically and socially, Canada may be considered as a northern extension of the United States." This calm acceptance of the position of senior partner in a North American economic relationship rather riles many Canadians, although it cannot be argued that the statement is misleading or exaggerated.

The American observer is to be excused if he takes the attitude that Canada is an economic off-shoot of his own country. When he comes on a business visit to Canada he will see United States dollars hard at work, paying wages to Canadian workmen, building up Canada—and also earning good dividends for Americans. The train that whisks him into Montreal or Winnipeg may ride over a line that finances its locomotive and car purchases with American money, and that has found in the New York Stock Exchange the big market for its stock. He gets off the train and rides to the hotel in a taxi. The taxi may be labelled Studebaker, Buick, Cadillac, or what not; the name is familiar, and he knows that it was either built or assembled in a Canadian plant, owned largely or entirely in the United States. The hotel probably is a unit in a string that has its headquarters in New York. The room clerk hands him his fountain pen to write his name. The pen was made in a Canadian factory owned by an American company. He sleeps in a bed that was made in Canada, but in an American-owned branch factory.



The growth of American investment in Canada is illustrated here. While American investments in Canada have grown from $420,000,000 to nearly $2,500,000,000 in ten years, British investments have shown an increase only from $1,850,000,000 to a little under $2,000,000,000.

Compare the small total of Canadian bonds sold in the United States in the three pre-war years with the immense totals of the years from 1915 to date.

He comes to the conclusion that for all economic purposes Canada and the United States are a unit. Certain it is that American capital and American initiative have done more for the up-building of Canada than the capital of any other nation.

The United States owns one-third of all the industries in Canada and one-third of the producing mines; it owns a large part of the timber resources not vested in the Crown, and has extensive interests besides in Canadian water powers, real estate and other assets. Investors in the United States hold a third of all the bonds issued by Canadian provinces, a third of all debentures issued by Canadian municipalities, and are developing an increasing interest in the bonds of the Dominion government.

All together these American investments in Canada total between $2,400,000,000 and 3,000,000,000. The figure is likely to continue to grow.

That is the situation. Is it a menace or is the "menace" but a bogey? Just now Canadians are pretty well divided into two schools of thought on the subject.

"How to Invest Your Money"

By BAYARD DOMINICK,
President, The Better Business Bureau of New York City.
(Copyright 1924)

Once a particular stock or bond passes the three major tests for quality, and is found to belong properly within the investment class, it is time to make tests for suitability. Even if the security possesses quality, it may not be suitable. Here is where the personal element enters. Both government bonds and the sounder corporation securities may meet tests as to quality, establishing a right to be classified as investments, yet between two groups of good securities there is a real difference. Which would be suitable for a particular investor depends upon whether maximum safety or yield should be the first consideration.

Generally, those entirely dependent upon the income from securities for a livelihood should make the most conservative investments until their yield assures a comfortable support. Tests for suitability follow.

Selection of the Proper Kinds

Not all issues which meet successfully the tests as to quality, will be found suitable. Before choosing a particular security, the investor should determine what group is most suitable to his own needs. Many groups, varying in appeal, are available. There are, for example, government bonds, (Liberty bonds, treasury bonds, or treasury certificates): state and municipal bonds; railroad, public utility (electric light and power, gas, telephone or traction) or industrial bonds; real estate mortgages or mortgage bonds (guaranteed and without guarantee); railroad equipment trust certificates; corporate notes of all descriptions; foreign government bonds; and, to name still a different variety of investments, stocks (preferred and common). Many purchasers of securities get the cart before the horse; that is, they buy a particular security when they are in no rightful position to buy anything except the safest bonds. Both in the selection of the general class of securities most suitable to their own needs, and in the selection of individual stocks or bonds, investors should have competent investment counsel.

Eggs in Different Baskets

An investor's first thought should be to put all of his eggs in sound baskets, the next thought to put them in different baskets. The investor thus diversifies his risks. To achieve a high degree of diversification, yet to maintain a good quality throughout, is most desirable.

Life Period of the Investment

Investments in bonds represent loans, and virtually always bear a maturity date on which repayment will be made. These maturities range all the way from periods of six months or a year to those of one hundred years. An investor should determine whether a short-term, an intermediate-term, or a long-term issue best serves his particular situation.

Acceptable in Amounts

Practically all bonds are available in $1,000 denominations, many in $500 denominations and some in $100. These figures represent the par value, of course, for the market values will seldom be precisely $1,000, $500 or $100. Ordinarily, the par value of a share of stock (which, incidentally, gives little light as to its intrinsic worth) is $100, although some stocks have a par value of $50, some $25, some $10 or $1, and some have no specified par value. Whether a stock has a nominal par value or not, its real value should be estimated on the basis of the net assets it represents with due consideration of its actual or soundly protective earning power. Generally speaking, stocks may be bought in smaller units than bonds.

Suitable Income Periods

Ordinarily, bond interest is payable semi-annually (each January 1st and July 1st, each February 1st and August 1st, each March 1st and September 1st, etc.) and dividends on stocks are payable semi-annually or quarterly. An investment program can be arranged to make the interest and dividend payments come at different periods during the year, or all in the same month.

Available as Collateral

Investors who may have occasion to borrow, and such emergencies may come to all, should give preference to securities acceptable at the bank as collateral. Securities which cannot be sold readily are not desirable as collateral.

Discount vs. Premium Bonds

Bonds selling in the market below par (100%) are said to be selling at a discount and those selling above par at a premium. Other things being equal, bonds of high interest rate will sell for more than those of low interest rate. However, it is almost an invariable rule that a bond at maturity will be repaid at 100, no matter whether the market cost to the investor was 90 or 110. Thus, bonds bought at a discount should appreciate in value as maturity approaches and those bought at a premium should depreciate.

Callable Before Maturity

Many bonds, particularly those of high-interest rates, and some preferred stocks, are subject to redemption by the company upon repayment at a given price, usually a few points above par. In other words the company may call in a redeemable bond or preferred stock. Investors ordinarily should look to the redemption clause before paying too dearly for such securities.

Tax-exemption Features

Investments vary in the degree of tax-exemption features which they enjoy.

Freedom from Care

As to the technical provisions, as well as to the matters of quality, that investment is preferable which will require least care.

Promise of Appreciation

Investments should never be bought primarily for the promise which is offered of market profits. However, preference should be given to investments of improving quality and which might reasonably be expected to show a gradual appreciation in value over a period of years.

Convertibility

Bonds are sometimes sold which are convertible within stated periods into stock of the corporation issuing the bonds. Occasionally, the exercise of the option is not to the advantage of the investor and before availing himself of the convertibility feature, the holder of the bonds should inform himself fully as to the actual value of the stock he gets in the exchange.

The fifth article of the series will appear next week.

Personal

WILLIAM McMASTER, who has been the president of Canadian Explosives, for the past fifteen years, is to retire from office at the end of the present year. It will be recalled that Mr. McMaster, after the Montreal Rolling Mills was absorbed by the Steel Company of Canada, went into retirement at the age of sixty, but did not remain inactive very long. Mr. McMaster has had an extremely busy as well as successful career, and such leading institutions as the Bank of Montreal, the Asbestos Corporation of Canada, Dominion Glass Company, Penmans, Limited, and others will still enjoy his good counsel. F. S. Lankford, the general manager of the company, will also retire and the two positions will be filled by J. W. Purvis, who will have the rank of president and managing director. Mr. Purvis has had many years experience with the Nobel interests.

J. L. BUSFIELD, who has been elected to the office of chairman of the Montreal branch of the Engineering Institute of Canada, is a consulting engineer of Montreal, and a member of the firm of Beaubien, Busfield & Company. Mr. Busfield is a graduate of the Central Technical College and of London University (England) and has been resident in Montreal since 1907. For a number of years, Mr. Busfield was engaged in railway work with the Grand Trunk Railway and on the construction of the Mount Royal tunnel. Since he entered private practice, the firm with which Mr. Busfield is connected has been engaged on important hydro-electric work in Canada and in the West Indies.

FRANK E. MUTTON, who has recently moved to New York, to join the New York Corporation of International Business Machines, is widely known in the sales and advertising fields in Canada. For ten years he was sales manager of the National Cash Register Co. of Canada, having built up that organization from a nucleus of four agents to a sales force of over sixty. In 1917, he assisted in bringing together the Canadian end of International Time Recording Dayton Scale Co., and the Tabulating Machne Co. into a single organization, International Business Machines. Since that time he has controlled the manufacture and sales of this company's products and established branches and service stations all over the Dominion. In 1912, Mr. Mutton spent some months in Europe, studying the sales methods of the largest business concerns in Great Britain, France, Germany, Austria and Italy. In 1923, Mr. Mutton undertook a trip to New Zealand, Australia, China and Japan in the interests of the parent organization.

Canadian Pacific Railway

Twenty-Year 4½% Sinking Fund Secured Note Certificates

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Investors' Inquiries

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

HAMILTON LORRAIN

H. W., Ontario.—Would you be good enough to let me know if you consider Hamilton Lorrain Mines a good investment? They are offering shares at $20.

Hamilton Lorrain Mines are a prospect only. A mining gamble—not a speculation.

DOMINION LINENS

Subscriber, Ontario.—Could you give any information in regard the outlook for Dominion Linens?

Pres. Sanson, of Dominion Linens, recently wrote us to the effect that the company was not making a profit, and if depreciation was taken into consideration, they were actually losing money. The low tariff makes it possible for products of European countries to undersell Canadian Textile concerns, with the result that the textile industry in Canada has been hard hit.

PORCUPINE GRANDE

Banker, Ontario.—I would very much appreciate as full a report as possible on the history, present position and future prospects of Porcupine Grande, also the address of their head office. My wife has one quarter interest in a share of the Orillia Syndicate which originally owned the property and I understand is to get some $1,600 in cash as well as 12,000 shares of stock. I know very little about the mining game and have never paid a great deal of attention to these claims, but now that they have a working agreement with the Coniagas it looks as if there should be something in it.

Porcupine Grande is controlled by a subsidiary of Canadian Minerals Finance, which concern has been financing through Ontario National Development, Confederation Life Building, Toronto. This concern grouped several properties and carried on considerable diamond drilling with good results. Recently Coniagas Mining Co. optioned the property, and is now carrying on exploratory work. The property is well regarded. If you write the above, you can readily secure copies of all the agreements and options.

WHALEN PULP

R.F.H., Ontario.—What is the present position of Whalen Pulp Mills?

Whalen Pulp is in the hands of a liquidator. Two of the plants are being operated. Refinancing plans are being considered.

UNLICENSED COMPANIES

H. K., Toronto.—I have read with interest your reply in your December 5th issue to "Banker, Sudbury," re Mutual Fire Insurance. I would appreciate very much your advising me the standing of the What Cheer Mutual Fire Insurance Company, Providence, R.I. This mutual fire insurance company is one of the largest of its kind. If you can give me any information as to its past performances, it will greatly oblige.

The What Cheer Mutual Fire Insurance Company was organized in 1874 and has built up a large business in the United States. Its underwriting record is excellent and the management has been of the best. On December 31, 1922, the assets were $1,512,545 and the surplus $827,000. Large profits have been paid for many years to those insured.

However, this company is not registered by the Dominion or Provincial Departments of insurance to do business in Canada. For this reason we hesitate to recommend any one here to place insurance with it. This is because in case of disputes over the payment of premiums, claims in case of fire or other difficulties, if the process of law is required, you do not have the protection of the Canadian Insurance laws. In such a case it may be necessary for you to go to a foreign court to protect yourself. When there are so many good companies registered by the Insurance Department, we can see no reason why those buying insurance should take the chance necessarily involved in purchasing insurance from companies not licensed in this country.

BENNETT GOLD MINES

W. H., Toronto.—I would like your opinion of the Bennett Gold Mining Company. Is it a safe investment?

Bennett Gold Hines are to be regarded as a prospect. Geological conditions on the property are said to be favorable for the finding of gold ore. Surface assays run from 20 cents to $20. The proposition is being carefully handled. All shares are being pooled, both the vendors, and those being sold. A careful effort is being made to keep all shares off the market. Overhead is being held down, commission of 20 per cent. for selling that is being paid taking care of everything for the time being. The treasury is substantial and the actual operations in the hands of a good engineer. The proposition shapes like one in which a speculator would get a good run for his or her money.

TORONTO SAVINGS AND LOAN

B. O., Peterborough.—I am considering opening an account with the Toronto Savings & Loan Company, in order to take advantage of the higher rate of interest (4%) which they pay on deposits than do other banks. May I ask for your opinion as to the standing of this firm and whether you consider it a safe or wise move to transfer my account to them for the above reason. I would also like to know what you think of their debentures which pay 5 per cent. and whether you consider them a good sound investment.

In view of the high standing of the trust and loan companies generally, because of government supervision, and particularly in view of the reputation of the men behind the Toronto Savings and Loan Company, we would say that you could open a savings account with this company with every confidence, while as for an investment in the debentures issued it need only be pointed out that these are recognized as investments for trust funds.

INVESTING IN BONDS.

J.R.B., Lachine.—I have $4,000 to invest and was thinking of putting it into bonds of East Kootenay Power, Ottawa and Hull Power, St. Maurice Power and Ottawa River Power. Will you please tell me what you think of this list?

It is difficult to give definite advice to any investor as to the safe investment of his savings without a complete list of holdings. This is because the element of proper diversification should enter into any well-selected list of securities.

The four securities mentioned are all bond issues of growing companies in the water power development field and may be bought with every reasonable assurance.

East Kootenay Power Company has developed an excellent field for itself in British Columbia. It serves the coal mining and precious metal mining industries there particularly.

Ottawa and Hull Power Company has been established for a number of years although the present company is but a re-organization of a former company, effected in order to facilitate a programme of expansion.

St. Maurice Power Company is a subsidiary of the powerful Shawinigan Water and Power Company and has contracted to sell all of its power to the Shawinigan Company at a price that insures its bond interest.

Ottawa River Power is a company now developing power which it will be producing within a few weeks. This power will be fed into the system of the Ottawa and Hull Power Company, of which it is a subsidiary.

LIFE INSURANCE SHARES.

Investor, Saskatchewan:—I would be very grateful if you would inform me as to whether you think the purchase of life insurance companies' shares desirable for the average investor. It has occurred to me that the price of shares of the newer companies are higher in proportion than shares in the older and well-established companies and that one has to wait longer for a tangible return. Had thought of purchasing a few shares in one or more companies which have a large shareholders' surplus, in anticipation of receiving a bonus in form of capital increase. I would appreciate it if you would recommend companies which appear to have best possibilities along these lines and already paying dividends. I had in mind the following: Manufacturers Life, Crown Life, Imperial Life, Canada Life and Dominion Life.

I might add that I carry considerable insurance with first and last named companies. If possible please give price of shares with present yield, also percentage of paid-up capital. Present investments consist mostly of tax sales certificates, first mortgage real estate bonds, mostly serial, light and power first mortgage bonds and Montreal and Commerce bank stock.

In the early years following organization it is practically impossible for a Life Insurance Company to pay dividends to its shareholders, on account of the heavy expenses involved in putting up reserves on the business secured and building a strong agency force. However, the business has developed in Canada on specially sound lines and the stock of many companies has been exceptionally profitable to the original shareholders. When a company once gets to the point where a steady volume of business is assured each year, the payment of dividends to shareholders becomes practically permanent and the possibilities of substantial increases as the business grows is almost certain.

On account of the inherent value of the stock of well established companies, the sales of it are few. All of the companies you mention are sound and successful companies but it is not easy to secure stock of any of them. We have been unable to secure quotations of stock offered of any of the companies mentioned except the Manufacturers' Life. The ruling price of this is around 58½. As the stock is 20 per cent. paid up, that is the shareholders have paid $20.00 on the $100 par value of each share, this price is between two and three times the par paid up value. As the dividends are 8 per cent. on the $20.00 per share the actual present yield at the price quoted, is very low. This demonstrates the high value at which such stocks are held on account of their soundness and a possibility of increased dividends.

FILM-PRODUCING COMPANIES

R.P., Edmonton.—Could you give me some information regarding the moving picture business, the profits made by the existing companies producing films, the opportunities along that line for investment and the advisability of going into that business? I would like to know if there are any Canadian film producing companies and what success they have met with and the reason for the failure of most of those that have started.

There have been numerous film-producing companies started in Canada, but few of them have achieved even a slight measure of success. One reason is that most of the companies that have been started have been organized by stock promoters and others whose chief end was to make commissions on the sale of stock and not to produce pictures. Another reason for their failure and perhaps the real reason why more substantial companies have not gone into business is that Canada does not offer a climate suitable for taking of motion pictures. California has become the world's motion picture centre because there is adequate sunlight, year-round possibilities for taking pictures, deserts and snow within a few miles of each other, and all the intervening grades of clime and temperature between. Moreover, motion picture companies will tend to concentrate in one area in order to have the trained help available and close at hand.

You can get information regarding the American producing companies, or, at least, those that publish their earnings, from the various security manuals. We do not attempt to give such a service in regard to American investments.

Patience is Required With This Mines List

G. V. W., Maritimes: You are advising readers not to buy mining stocks blindly. Just where to get information a person requires who wishes to put a little speculative money in Northern Ontario is hard to tell. I hold

800	Coleray,	.25
500	Canadian Matachewan	$1,00
600	Goldale	.50
1,000	Rouyn Quebec	.15
1,500	Rouyn	.25
500	Silver Bullion	.28
500	Capitol	.32
500	Atlas	.06¼

If I were to follow my own ideas I would scrap the bunch. Kindly let me have your opinion.

You have quite a varied holding that ultimately should make you some money.

Coleray is a good property. It used to be the Collins. Not much is known about the people behind it. The distribution of capital, leaving one of three million shares in the treasury, should be carefully weighed.

Canadian Matachewan property is good. It is bound to be a big mine some day, having $3,000,000 proven ore now.

Goldale is well regarded. It is a holding proposition, not an operation. It should show a material appreciation in, say, two years.

Rouyn and Rouyn-Quebec properties are said to be good, but their market methods have been criticized. Silver Bullion is about in the same class as Coleray. Capital is a prospect in good hands that is being aggressively explored.

Atlas has never made a real mining effort, although there were reports lately that they would operate.

No, I don't say scrap the bunch. Atlas, if it shows a profit, might be sold. The others look as if you will have to ride with them. They will take patience.

Current Opinion

BUSINESS—A PROFESSION

Hardware and Metal:— John Ruskin, referring to the five great professions in every civilized nation, says, "The soldier's profession is to defend it; the pastor's to teach it; the physician's to keep it in health; the lawyer's to enforce justice in it; the merchant's to provide for it." Ruskin thus gives business an important role among the leading professions.

Only by constant action, constant research, the closest study and the most careful application, can business justify the title of a profession and take its place in dignity and in service with the lines that are more commonly thought of as professions.

This is an appeal for more pride in business, and a recognition that it is the backbone of the nation's prosperity, deserving our best.

VINDICATING THE LAW

Ottawa Journal:— When the directors of the Home Bank were put on trial, the cynics only sneered. Willing victims of the delusion that money can purchase anybody or anything, they smiled patronizingly at the poor unsophisticated people who believed that these powerful bank directors would be given their desserts.

Well, they have had their answer. Fearlessly, impartially, the law fell recently upon Clarence F. Smith and C. A. Barnard, as though they were the humblest and most obscure in the land. Not all the influence of wealth, of social and political connections, could stay the hand of justice. These men have gone to prison, just as Peter Smith, a powerful politician, and Aemilius Jarvis, a wealthy financier, went to prison some weeks ago, for transgression of the law.

It is a fine thing for Canada. For it demonstrates beyond question that in this country the courts are incorruptible and just, immune from the influence of wealth, or caste or position—and that is the securest foundation of a political democracy.

MR. KING'S CODE

Ottawa Journal:— Mr. Mackenzie King makes so many incredible statements that a fresh one added to the list can hardly be of moment. Yet an abstract from a speech which he delivered in West Hastings proclaims such an extraordinary doctrine, we think it deserves more publicity. Our prime minister was dealing with the charge that Mr. Murdock had used information gained in the cabinet to draw money from, and avoid loss in, the Home Bank, and said this (we quote from the Belleville Daily Ontario, Liberal):

"Supposing as a minister of the Crown he (Mr. Murdock) had gained that knowledge through his office, do you mean to tell me that, as the head of a family, with his obligation as husband and father, he would not be justified in taking his money out? An account in a bank is only a contract on the part of the bank to pay back the money on deposit as soon as asked . . . . If that were not allowed where would we get men for public life."

So, under the new dispensation, it is all right to do wrong, providing you're the head of a family. Mr. King himself must toe the line of virtue, but "Ned" Macdonald and George Graham and Jim Murdock and Motherwell can shuffle over it as often as they please. Mr. King, in fact, has knocked Moses into a cocked hat, not to speak of puny Puritans like Mr. Asquith, who have held that to use cabinet information for personal gain admits of no exceptions.

Mr. King, truly, is an amazing preacher. So amazing that he holds that it is a breach of cabinet trust to tell who attends meetings of a cabinet, but not a breach of cabinet trust to use information gained in a cabinet for financial benefit.

We despair of getting anything understandable out of Mr. King, but, apropos of his statement we'd like to ask him one question: If he thought it was all right for Mr. Murdock to use such information, why did he grant an investigation?

INDIVIDUAL INITIATIVE

International Paper Monthly:—An American who attended the recent Olympic games in Paris tells us the most striking thing about the performance of the American athletes was the use they made of individual initiative. The European athletes were perfectly trained, so perfectly in fact that you could always tell about what they were going to do. With the Americans it was different. They were always doing the unexpected. Although as well trained as their opponents and working together quite as well, the individual athletes had not lost their power of acting independently and effectively in an emergency. And it was this individual initiative that brought them out on top.

And this is to be expected. If the United States and Canada are to-day great nations, this universal spirit of individual initiative is responsible. The spirit of the pioneers who hewed two nations from the wilderness is still very much alive.

Price Brothers

6½% Preferred Stock

THE manufacture of newsprint paper is Canada's greatest manufacturing export industry. During the past twelve months, over $90,000,000 worth of newsprint produced in Canada was shipped abroad. In other words, that amount of money came into Canada as a national credit.

There is no question of the fundamental soundness of newsprint manufacturing as a growing Canadian industry. The financial solidity and material resources of Price Brothers, as a leader among Canadian newsprint producers, are equally beyond question.

We have underwritten an issue of $7,000,000 Price Brothers & Company, Limited, 6½% Cumulative Redeemable Sinking Fund Preferred Stock. Of that amount, $2,000,000 has been sold in London and only a very small part of the issue is now available for subscription by Canadian investors.

Behind the Preferred Stock are real estate, timber limits, water powers, mills, equipment, investments and net current assets of a book value in excess of $60,000,000. There are only $10,000,000 of First Mortgage Bonds ranking ahead of the Preferred Stock.

The Company's earnings after all prior charges have, for the past four years, averaged nearly four times the amount required to pay dividends on the Preferred Stock. Earnings should be substantially increased on completion of the Company's new mill now under construction at St. Joseph d'Alma, which will have a capacity of 200 tons of newsprint daily.

We recommend Price Brothers & Company, Limited 6½% Preferred Stock as a sound investment. The issue price is—

96 and accrued dividend, to yield over 6¾%

A circular containing complete information regarding Price Brothers' properties, earnings and Preferred Stock, together with a map and photographs of the Company's mills, timber limits, and water powers, will be forwarded to investors upon request.

Royal Securities Corporation Limited

Montreal Toronto Halifax St. John Winnipeg Vancouver

7%

We own and offer

Seaman Kent Company, Limited

First Mortgage 20-Year Sinking Fund Gold Bonds at 100 and accrued interest to yield 7%.

The market for hardwood flooring is world-wide—the demand constantly increasing—because this product has no substitute. Nothing will wear so long nor give such real beauty in flooring as hardwood.

The Seaman Kent Company, Limited, is the largest manufacturer of hardwood flooring in the British Empire. Established twenty-five years ago, with one small factory, it turns out to-day approximately 50 per cent. of the hardwood flooring produced in Canada.

The balance sheets of the Seaman Kent Company, Limited, show assets in excess of $3,100 for each $1,000 of bonds issued, with net earnings of more than three times the annual bond interest requirements.

Full descriptive circular on request.

JOHNSTON AND WARD

Canada Trust Bldg., 14 King St. East, Toronto

Members: Montreal Stock Exchange, Toronto Stock Exchange

C.P.R. 4½% Secured Notes

Due Dec. 15th, 1944

Price 92¼ and int. to yield 5⅛%

Montreal Tram. 1st Mtge. 5% Bonds

Price 95 and int. to yield 5.45%

We recommend the above issues for conservative investment.

Circulars on request.

Greenshields & Co

17 St. John St., Montreal

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OTTAWA TORONTO WINNIPEG

MONTREAL

Direct Private Wire to all Branches and New York

C. P. R.—5⅛%—20 Years

Canadian Pacific Railway 4½% Sinking Fund Note Certificates Due December 15, 1944 Price, 92.25 and Interest Yielding 5⅛%

To invest in C. P. R. Note Certificates is to have the security of one of the largest and soundest Corporations in the British Empire.

The quality of the security, the attractive yield and the long term has already appealed to a wide circle of Canadian investors—and should appeal to you.

We suggest that you order without delay.

Denominations $100, $500, $1,000 and upward.

36 King Street West, Toronto. Telephone Main 4280.

Wood, Gundy & Co.

Government
and
Municipal Bonds

We will be glad to furnish
particulars and offerings
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Gairdner, Clarke & Co.

312 Bay Street, Toronto. Dominion Express Bldg., Montreal.

OSLER, HAMMOND & NANTON
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The Oldest
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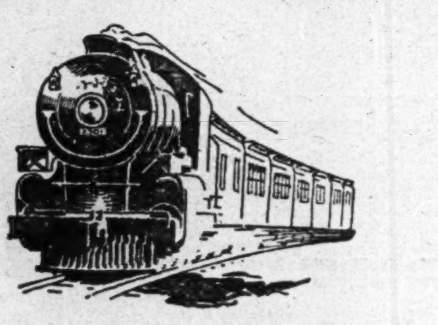

Canadian Pacific Railway
Company

Twenty-Year 4½% Sinking Fund
Secured Note Certificates

Dated December 15, 1924 Due December 15, 1944

Principal and semi-annual interest (June 15 and December 15) payable direct to holders by cheque negotiable at par at any Branch in Canada of the Bank of Montreal. Fully registered Note Certificates in denominations of $100, $500 and $1,000.

The Canadian Pacific Railway Company is universally recognized as one of the world's greatest and most efficiently managed transportation companies.

The present market value of the Company's securities ranking junior to these Note Certificates is over $460,000,000.

The net earnings for the last five years, after paying all fixed charges, including interest on Consolidated Debenture Stock and all other obligations, have averaged $33,155,873 annually, or over 24 times annual interest requirements on these Note Certificates.

Price: 92.25 and interest, to yield 5⅛%.

Orders may be telephoned or telegraphed at our expense.

The National City Company
Limited
Head Office: 112 St. James Street, Montreal
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I Want a Man

Who is capable of handling an executive position. Although experience in my line would be welcome, it is not essential if you are the right man for the job.

For personal reasons, it is necessary that I hand over the management of my well established firm to another—for this reason I would like him to put into the business a little capital, so that he, being a partner, may have an added interest in my work. If you can handle other men and have executive ability, write me at:

BOX 123
The Financial Post
SOUTHAM BLDG., MONTREAL

News and Views of Bond Market

LESS TALK NOW OF ½ PER CENT. BASIS FOR BONDS

Foreign Financing in America Has Had Effect

Following the successful flotation of the Canadian Pacific issue, the bond market, which for a time had been preparing for that important piece of corporation financing, has assumed a holiday air and little activity is in prospect until after the turn of the year. Prices continue easy, as they have for two or three weeks now and there is less talk heard of the trend to lower interest rates being continued to a 4½ per cent. basis; the strengthening in call money rates in New York, the promise of larger money requirements in business and the higher rates which have prevailed in the case of foreign issues marketed in the United States have all been factors in this connection. However, it has been noted recently that there has been more interest, particularly on the part of institutional buyers, in the smaller municipal issues which show a relatively desirable yield and tendering on such issues has been keen, although not a great deal of this class of financing has been done.

The references to the financial needs of Toronto by Finance Commissioner Ross, dealt with elsewhere in this issue, are being taken to indicate that there is likely to be a considerable volume of public financing in the future. Other cities have their projects also. Then there will be considerable borrowing by the provinces. British Columbia will be in the market before long and a study of the refundings indicate that there will have to be considerable financing in this connection. After the turn of the year corporation financing, too, is likely to receive considerable attention in the bond markets.

While there is no very distinct change in the broader situation affecting prices there are indications that prices are tending to lower rather than higher levels, because of influences which have several times been referred to in this column. One of these is the call money rate as reflected by New York. In this connection Hayden, Stone & Co. say:

The stiffening in money rates is significant. Within the past year the loans and investments of the member banks of the Federal Reserve System have increased over two billion dollars. Of this increase only 10 per cent. can be classed as strictly commercial. It is true that in the Federal Reserve Banks themselves the member banks have a great reservoir to fall back on, but they have evidently pretty fully used up their loanable resources. The rediscounts of the Federal Reserve Banks have fallen to a low figure, but on the other hand their investments have risen rather sharply.

TORONTO MORTGAGE EARNED 13 PER CENT.

New High Mark Expected to be Reached by This Year's Earnings—Pay Bonus

Earnings of Toronto Mortgage Co. seem certain to establish a new high mark for 1924. The recent action of the directors in declaring a bonus of 1 per cent. to be paid with the regular 2½ per cent. quarterly dividend seems what the shareholders might have expected. In January, 1924, just after the annual meeting, THE FINANCIAL POST predicted a bonus would be paid before long. The earnings of the company and the strong position of the reserve seem to make this likely. While, of course, the results for the full year are not yet known, it is apparent that Toronto Mortgage will do exceptionally well, probably earning 13 per cent. on the capital as compared with 12.06 per cent. last year. The high mark was in 1916, just before the burden of taxation began to hit this company and other companies so heavily. Then 13.01 per cent. was earned. This high seems certain to be reached as a result of 1924 operations. The position of the company is not only interesting to shareholders, but to all investors in trust and loan stocks. The interest rate these companies are giving on their mortgages and bonds has dropped quite sharply, but after all these companies are really middle-men, lending out on these mortgages and bonds money which they secure for a certain rent elsewhere, and the interest rate they are paying for debenture money is going down at about the same rate as the mortgage rate.

NEW FINANCIAL FIRMS

Following the reorganization of the investment firm of W. A. Mackenzie & Company three new firms have been established. It is announced that Hugh G. Cooper, formerly secretary-treasurer of the Mackenzie firm, and A. G. Mackenzie, vice-president, have formed a partnership to be known as Cooper and Mackenzie. The new firm will deal in government, municipal and corporation bonds. A. N. Worthington, formerly connected with the Mackenzie firm as Montreal manager, and latterly as in charge of United States business, and R. Savage, have organized a company to be known as Worthington, Savage & Company. W. A. Mackenzie, the head of the former firm, has opened an office in the Reford Building to deal in bonds.

PRESIDENT OF MORTGAGE COMPANY

The Port Arthur and Fort William Mortgage Company announces the appointment of F. G. Johnston as president. Mr. Johnston, who was formerly vice-president of G. A. Stimson & Company, is now president of Toronto Bond Exchange, Limited.

The Port Arthur and Fort William Mortgage Company has its head offices in Toronto. It has an authorized capital of $1,000,000, of which $585,800 is paid up.

Seaman, Kent Co. Exports Growing

Investment bankers handling the Seaman-Kent Company issue of $400,000 of 7 per cent. bonds report that the bonds have sold very well, indicating both the healthy tone of investment buying and the confidence felt by investors in this company as a result of its affiliation with the M. J. O'Brien interests.

It is understood that the O'Brien's took over the Seaman-Kent enterprise in order to provide an outlet for a part of their tremendous areas of hardwood limits. The new mill that has just been completed at Renfrew will operate on birch and maple from the Laurentian mountains. The company is going to make a serious effort further to enlarge its growing export trade. One of the company's officials is now on the Continent negotiating for export orders.

The bond issue is being offered by Johnston and Ward and by McLeod, Young, Weir and Company.

CANADIANS WARNED RE GERMAN BONDS

Evidence of Reckless and Ignorant Plunging on Revaluation Plans

From Our Own Correspondent.

NEW YORK.—Canadians are still buying German war bonds heavily in anticipation of some regulation plan, dealers in German bonds tell your correspondent. Buying is especially heavy on the part of German Canadians, Canadian bankers apparently are doing all they can to discourage this speculation, but are not meeting with much success.

Further solicitation on the part of dealers in German bonds in this city may be anticipated during the next month or so. A persistent effort is to be made, local information indicates, to bring about a re-valuation of German industrial war and pre-war bonds, now virtually worthless and there is every reason to believe that dealers in these bonds are preparing to make the most of their opportunities.

Canadians who may be tempted during the next month or two, as a result, to take a "flyer" in German industrial bonds, would therefore be well advised, Canadian bankers tell THE FINANCIAL POST, to remember that it is very unlikely that the efforts of those behind this latest re-valuation move will be successful. The Dawes Plan was drawn up with the assumption clearly in mind that industrial bonds of war and pre-war period were wiped out; to consent to any such re-valuation would amount to repudiation of the Dawes Plan on the part of the German Reichstag. Further all recent American private loans to German industries have been based upon a similar assumption; to "resurrect" these bonds would wreck half a hundred loan agreements into which several big American banks have recently entered.

ESTIMATES DO NOT MEAN REDUCTIONS

Ottawa Making Motion of Retrenchment, but Little Being Actually Accomplished

From Our Own Correspondent.

OTTAWA.—It is understood that in the preparation of the estimates some of the government departments, at least, have been instructed to reduce their figures by 10 per cent.

Reductions in the estimates are not always accompanied by actual reductions in expenditure. For example, the last main estimates submitted to the house called for a reduction of $47,000,000 as compared with the total for the preceding year. The returns for expenditure for the first eight months of the current year, however, show that the total expenditure is slightly in excess of what it was for the preceding period. There was some reduction in current expenditure, but increased capital expenditure more than offset this.

The estimates for the approaching fiscal year will depend to some extent on the amount required for the Canadian National Railways and the Mercantile Marine. In view of reduced earnings it is difficult to see that the amount required for these services can be appreciably less than that asked for this year. Unless there is a marked revival in business on American lines, there is good reason to think that the earnings on the Canadian end of this system, during the first six months of 1925, will be lower than they were this year. This can be quite understood from estimates showing little more than 42,000,000 bushels of wheat in the hands of western farmers.

B. C. LOAN COMING

VANCOUVER.—Financial houses of the city are expecting the provincial government to float a bond issue for $2,500,000 to cover projected road work in the province next year. Of this amount $1,250,000 will be used for the transprovincial highway.

Out of the $14,000,000 in bonds that mature provincially in 1925 the government will have to refund only about $4,000,000, and nearly $6,000,000 are taken care of by sinking fund, and approximately $5,000,000 of Pacific Great Eastern notes will be handled by the sale of the $6,000,000 securities which the government has on hand and will probably sell to meet the liability falling due in June.

MINNEAPOLIS, ST. PAUL

The president of the Minneapolis, St. Paul and Sault Ste. Marie Railway, an important C.P.R. subsidiary, says that fixed charges will be earned for the year.

The stock has moved up recently to around 43.

MR. ROSS WOULD CHECK EPIDEMIC CIVIC SPENDING

Toronto's Finance Commissioner Deplores Rising Debt

In the past four years, from 1921 to 1924, inclusive, $91,000,000 worth of City of Toronto bonds has been marketed, and prospective undertakings of the next three years, with the ordinary capital requirements call for further issues totalling $80,000,000. This was the statement of Finance Commissioner Geo. H. Ross to the city council at its final meeting of the year. In 1921 alone, $32,000,000 worth of bonds were sold.

Mr. Ross warned the council against what Gladstone termed "the spirit of expenditure." "The economy of demand must govern," he said, "for if people do not demand things there would not be any expenditure."

Increasing Tax Burdens

In Mr. Ross's warning against extravagant expenditures he showed the need of the most careful economy to guard against an increase in the already heavy burden of taxation. Debt charges on local improvements alone, he said, now total $1,600,000. This is met by taxation and was the exact amount of the total debt charges met by taxation in 1912.

In the past four years capital funds aggregating $17,500,000 were raised for schools, street widenings, track pavements, parks, drain sewers and bridges.

During this period the city guaranteed bonds of the Harbor Commissioners amounting to $8,500,000, making a total of $23,000,000, while it has made direct capital expenditures in the same connection amounting to nearly $5,000,000, all told. Nearly $30,000,000 is now invested in the harbor scheme, the bulk of which would be a loss unless the lands are made accessible. In the absence of grade separation the citizens would have to carry a very serious burden in harbor debt charges, over one mill.

Big Works Planned

"The cost of works to be undertaken," Mr. Ross stated, "will total approximately $41,000,000, and they carry with them when completed debt charges amounting to, say, $2,900,000, of which $2,000,000, or over two mills, will be met by taxation. The balance of the estimated programme will add at least another mill for debt charges.

"The general requirements of the city," he continued, "and its board and commissions,—the T. T. C., Hydro, schools, sewers, parks, highways, bridges— will necessitate capital issues of approximately $8,000,000 a year. Local improvements alone require around $5,000,000 a year. Assuming that the big undertakings mentioned below are funded in the next three years, the city will be faced with the marketing of $80,000,000 worth of bonds in the next three year period. As already pointed out, only $20,000,000 of debt matures in that period, so that gross debt will be in the neighborhood of $233,000,000 by 1928. This is a staggering figure, and one which demands the attention of every thinking citizen. On the present rate of increase in population, this will work out to $400 per capita, equivalent on the accepted family average to a mortgage of $2,000 against every home in the city.

"To carry such a burden of debt the city must experience a rapid growth, far more rapid than has been the case in recent years," Mr. Ross went on. "New industries must be secured, new citizens must be brought in. Power rates in the city are low, transportation is of the best, yet many an industry has passed by in the last few years on account of our high assessment and high taxation. If the city is to be made attractive to industries, if the $25,000,000 invested in harbor lands is ever to come to anything, then taxation must be lowered. One way not to lower it is to issue huge amounts of debt for non-revenue-producing purposes. Once a debt is created, debt charges automatically become uncontrollable, so that the only time to control the so-called 'uncontrollable' is when the actual projects are under consideration.

Epidemic of Spending

"That there has been in Canada, since the war, a veritable epidemic of spending of public moneys, no one will deny. And what has been the upshot of it all? Why, people from one end of the country to the other are now demanding economy. Are they doing this for fun—no, decidedly not. They are doing it in order to get rid of the almost intolerable burden of taxation. To be sure, the awakening has been a trifle slow, but it is nevertheless sure, and people have come to realize that so long as we have for a neighbor to the south a large, wealthy and prosperous country, we are bound to lose many of our good native sons if the cost of living in Canada exceeds by any considerable amount that of the United States.

"There is another and better reason. Canadians of this generation must realize and appreciate the fact that they only hold this great Canada of ours in the nature of a trust, and that it would be a gross breach of our trusteeship to hand it on to future generations so plastered up with mortgages as to be in reality a liability, not an asset.

"Much of the debt of the city, with its consequent uncontrollable debt charges," concluded the commissioner, "is due to the uncontrolled demands of the people for this, that and the other thing. Well meaning people think that because the city as a whole must foot the bill, they themselves, by some species of Divine alchemy, will escape paying."

As an appendix, Mr. Ross submitted a statement of the capital prospect for 1925 to 1927. The waterfront viaduct, grade separation, Bloor Street widening, North Toronto sewage and the duplicate waterworks will aggregate $41,000,000. Ordinary capital requirements of the next three years will be $15,000,000, and for general city purposes, Hydro, T. T. C., schools, parks, etc., $24,000,000 will be needed. With the present debt at $173,000,000 that makes the gross debt in prospect at the end of 1927, $233,000,000. Prospective debt charges will be $9,000,000 or 10 mills on the 1928 assessment.

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Municipal and Provincial Finance

SOME OF SETTELL CHARGES RE HYDRO WERE SUSTAINED

Government Would Drop Matter, But Opposition Wants a Probe

Of the 85 charges leveled by E. C. Settell against Sir Adam Beck, F. A. Gaby, and the general administration of the Hydro-Electric Power Commission, including allegations involving P. W. Sothman, former chief engineer of the commission, Judge Snider, of Hamilton, who investigated the charges, found 19 of them true, or partly true.

As to the charges against I. B. Lucas, former attorney-general in the Hearst government, former member of the Ontario Hydro Commission, and now solicitor for the commission, Judge Snider found that "they have all been found true, or partly true, with the exception of the charge dealing with stealing furniture."

Judge Snider makes very little comment on the seven charges against Sir Adam, which he found to be true. These were mainly for small personal items, in cases where they were delivered to Sir Adam for his personal use, and paid for by the commission, never having been charged to Sir Adam's personal account.

Judge Snider found, as partly true, the charge that Hydro cars were used for the private benefit of officers of the commission, and that the expenses of such use are paid by the commission.

In the cases of the charges against Mr. Gaby and Mr. Lucas, which were found to be proven, the judge scored both Gaby and Lucas in strong terms. Judge Snider states in the course of his report:

"Your commission is of the opinion that this charge is justified and true, and that it presents a case of censurable nepotism, and that the legal department of the Hydro-Electric Power Commission is over-staffed."

Judge Snider finds proven the charge that a dredge purchased by the Cataract Sand and Gravel Company, which company was owned by Gaby, chief engineer of the Hydro, for $2,100, was sold to the Hydro Commission in 1917 for $4,200. He finds that Gaby, for a recommendation and report on this machinery used Cridland's name, without disclosing to the commission that he was the real owner of the company which owned the machine.

"The machine was bought accordingly without disclosing to the commission that he was recommending to them the purchase of his own machine," states the judgment. "The impropriety of this dealing with the commission is manifest. It was reprehensible and improper."

The charges referred to by Judge Snider were made in the now famous letter from Settell, former secretary to Sir Adam Beck, to Sir Adam, mailed by the secretary after he had cashed a check of the Hydro Commission for $29,900 at Hamilton, for which action he was later arrested and sentenced to three years in Kingstone penitentiary.

The attitude of the government in regard to the report is that the proven charges merely refer to matters which come under the administration of the Hydro Commission, and that it is not concerned. However, it is quite evident that the opposition in the legislature does not propose to concur in the dismissal of the matter. taking the ground that the revelations have been of such a character that the scope of the inquiry should be widened to provide a thorough investigation of the whole Hydro administration in the public interest.

Tenders and By-laws

Dec. 22, Terrebonne, Que.—$190,000, 5 per cent., 30-year serial bonds. Ange-lys Beaupre, secretary-treasurer, Terrebonne.

Debenture Notes

QUEBEC.—City council have been authorized to borrow $300,000 for public works.

This Week's Bond Sales

HULL TECHNICAL SCHOOL

MONTREAL.—A. E. Ames and Company were awarded the Hull Technical School issue of debentures, $365,000, guaranteed by the province of Quebec, 30 year, 5 per cent. The bids were as follows:

A. E. Ames & Co.	100.13
Mead & Co.	99.72
Hanson Bros.	99.57
Dominion Securities Corp.	99.567
McLeod, Young, Weir & Co.	99.29
Wood Gundy & Co.	99.27
C. H. Burgess & Co.	99.08
Matthews & Co.	99.93

BAIE ST. PAUL DEBENTURES

MONTREAL.—The Municipal Debentures Corporation were awarded the $65,000 issue of the municipality of Baie St. Paul, 10 years, 5%. The bids were as follows:

	For 5%	5½%
Municipal Deben. Corp.	98.62	....
Credit Anglo-Francais	98.56	....
Credit Municipal	98.22	100.56
Provincial Securities	97.65	100.15
L. G. Beaubien & Co.	97.06	100.05
Le Pret Municipal	96.71	....
Nesbitt, Thomson & Co.	96.64	....
Bray, Caron & Dube	96.53	100.29

ANCASTER BONDS

Bird, Harris and Company were the successful tenderers for $10,989 5½ per cent., 10-year debentures of the Town of Ancaster, their price being 101.36 to cost the municipality 5.22 per cent. The bids are as follows:

Bird, Harris & Co.	101.36
McCoo, Padmore & Co.	101.32
Goss, Forgie & Co.	101.21
Dyment, Anderson & Co.	101.19
Toronto Bond Exchange	101.01
C. H. Burgess & Co.	100.95
H. R. Bain & Co.	100.76
Municipal Bankers Corp.	100.72

QUEBEC PAPER MILLS

Quebec Paper Mills, which is to build a huge pulp and paper mill within a short distance from Quebec, and exploit the Manicouagan limits on the north shore, will apply to the Quebec legislature at its next session for a special act to confirm the title of the company to all property and rights formerly acquired and also granting certain additional powers. Permission will be sought to increase the capital and to issue stock. Also to operate laboratories, and to deal in chemical and electro-chemical and by-products.

Where Are Surpluses of London-Pt. Stanley Line?

London and Port Stanley Railway is pressing London City Council for working capital. There is an overdraft with the bank of $25,000. The bank wants some recognition of the liability. The railway commission has not the authority and the mayor says an overdraft cannot be sanctioned by the council as it is illegal.

It was stated that the city issued debentures to pay for electrification, but made no provision for working capital. As the line has been operating for a number of years now, and as substantial surpluses have been shown almost yearly, the question is being asked where these funds, if they existed, went. London has been getting a rental of $20,000 a year for the road bed.

Calgary Restores Half Million Sinking Fund

CALGARY.—The Calgary sinking fund, which was nearly $3,500,000 short on the first of the year, has had close to half a million dollars restored to it and is well on the way to a solid footing. Controllable expenditures of the city have been reduced approximately $250,000 in the last two years. The percentage of current taxes collected has increased from 71 per cent. in 1920 to 77.02 per cent. in 1923 and will be still better for the current year of 1924. Total tax collections compared with the total city levy have increased from 86.26 per cent. in 1921 to 97.24 per cent. in 1923, and will constitute an almost perfect record for 1924. For the first time in 11 years, the city's budget was balanced in 1924—that is, cash collections will equal and exceed cash outgo, by an estimated amount of approximately $60,000.

These are the five outstanding facts in the legacy which the council and commissioners of 1924 will leave to the council and commissioners of 1925.

All bonds that have been purchased and put into the sinking fund have been put in at the purchase price, and not at their par, so that when these securities mature, to be redeemed at par, the sinking fund with such bonds on hand up to the end of last October, alone, will be able to show an additional profit of $334,507.92. The fund is in good shape.

PULPWOOD EMBARGO MEANS JOBS, WAGES AND BUYING POWER

(Continued from page 1)

vide new jobs in Canada. It is necessary to enhance the revenues of this country. It is necessary if we are to maintain our own self-respect; self-respect that is hard to hold under present conditions when American mills can use Canadian wood to manufacture paper to be run through a printing press in American publishing houses and re-exported to Canada with Americanizing influences in literature and scandals splashed across the pages. And be it remembered that if the Canadian wood is made into book and other higher grade papers in a Canadian mill it cannot be sold in the United States; it can only be sold in the limited market provided by Canadian catalogue makers, who attempt to market their wares in Canada against the competition of American publishers who have not only the economic advantages afforded by tremendous circulations and high advertising rates, but the additional subsidy from Canada of low-cost wood and an absence of Canadian tariffs.

What Influences Are at Work?

The irony of the circumstance is further emphasized when it is considered that much of this good Canadian wood, that ought to be the source of jobs, wages and dividends for Canadian citizens, is used to print booklets, catalogues, etc., that are circulated throughout Canada to sell American goods in competition with Canadian goods.

An independent observer, with no interest in either Canada or the United States, would be justified in saying that Canada is making an ass of herself. The policy of the country is so weak and undetermined on the question of the pulpwood embargo as to raise grave suspicion that the influences that are at work at Ottawa to shape the national policy are decidedly anti-Canadian.

WON'T GET 10 CENTS A SHARE

WINNIPEG. — Indications are that shareholders of Hearst Publishing Co. will not get 10 cents on the dollar.

BOND MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 16

BONDS	Int. Rate	Due Year	Yield	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	7.11	90	79	83¼	75	—	79¾	78¼	77¾
Can. Locomotive	6	1951	6.19	99	96	99	96	96¼	—	97½	—
Cedar Rapids	5	1953	5.02	98½	93	99¼	95	99¼	98	99¾	—
Cons. Rubber	6	1946	6.10	102¾	98¾	100	95	99¾	—	98¼	—
Dom. Textile (D)	6	1925	5.87	100½	100	101⅛	100	—	100⅛	100⅛	—
Ogilvie	6	1932	5.37	102½	101	104½	101½	—	104	104	103½
Quebec Rly.	5	1939	6.02	83½	68	92	80	90	89¼	90	—
Steel of Can.	6	1940	5.63	102½	99	105	100½	—	103½	103¼	—
Sherwin-Williams	6	1941	5.72	102½	101	103	101	—	102½	103	—
Wabasso	6	1947	6.68	96	85	96⅛	90¼	92	—	92	—
Wayagamack	6	1951	7.27	86¼	75	86	74⅛	85	84½	85	84½
War Loan	5	1925	4.10	100.95	99.10	101.15	100.15	101.00	100.90	100.90	100.75
Do.	5	1931	4.66	101.90	99.80	102.30	101.15	102.10	102.00	102.00	101.90
Do.	5	1937	4.61	103.80	100.70	104.15	102.10	103.75	103.65	103.65	103.35
Victory Loan	5½	1927	4.60	103.50	101.50	103.50	101.85	102.80	102.70	102.60	102.40
Do.	5½	1933	4.69	106.55	104.00	106.70	104.30	105.90	105.80	105.80	105.55
Do.	5½	1934	4.97	103.90	101.30	104.90	103.00	104.10	104.00	104.90	103.85
Do.	5½	1937	4.62	108.45	106.10	109.00	106.30	108.60	108.50	108.50	108.20
Do. Renewal	5½	1927	4.75	102.85	100.00	103.67	101.00	102.15	102.00	102.05	101.70
Do. "	5½	1932	5.00	103.20	98.15	104.15	101.35	103.30	103.20	103.25	102.50
Do. Refund	5	1928	4.78	99.80	98.00	101.30	99.40	100.75	100.65	100.90	100.80
Do. "	5	1943	4.85	99.00	97.90	102.85	99.90	101.95	101.85	102.00	101.70

ST. JOHN SCHOOL DELAYED

NEW BRUNSWICK.—The government has declined to extend for two years the time within which the government grant would be available for the building of the proposed $350,000 vocational school in St. John. To be eligible for the grant the building would have to be finished by June, 1925.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Place	Date	Purpose	Sold To	Rate	Maturity	Amount	Price	Yield
Municipal								
Ancaster	Dec. 16	......	Bird, Harris & Co.	5½	1934	$10,989	101.36	5.22
Uxbridge Twp.	Dec.	......	Sterling Bank	5½%	1934	13,000	101.24	5.25
Thessalon	Dec.	......	Macneill, Graham & Co.	5½%	1954	10,000	103.08	5.18
Thamesville	Dec.	......	Bird, Harris & Co.	5½%	1944	25,000	.....	....
Corporation								
Seaman-Kent	Dec.	......	Johnston & Ward, and McLeod, Young, Weir & Co.	7%	1944	$400,000	100	7%
Hull	Dec.	School	A. E. Ames & Co.	5%	1954	365,000	100.13	....
Raie St. Paul	Dec.	......	Municipal Bankers	5%	1934	65,000	98.62	....

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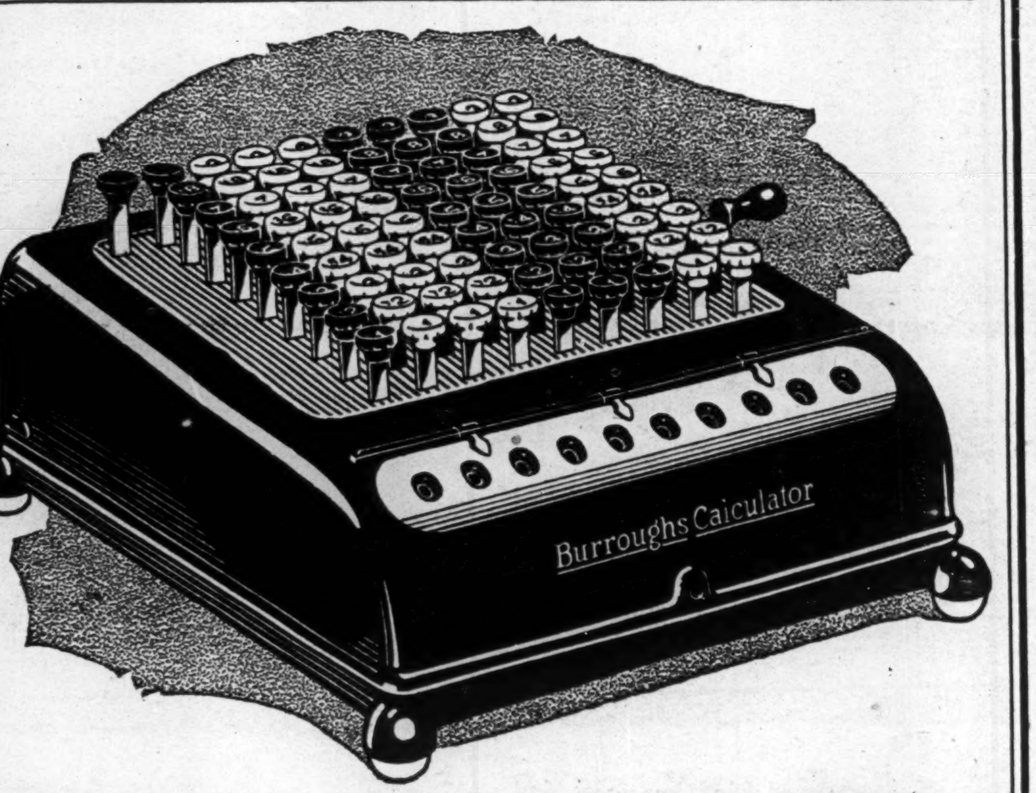

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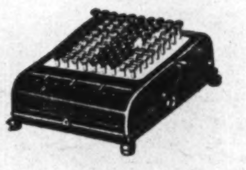

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Suppose someone should offer you a valuable piece of property on condition that you keep the taxes paid during your lifetime—at your death clear title to the property to pass to your family. That would be a very attractive proposition wouldn't it?

But if in addition it should be guaranteed to you

(1) that the value of the estate will not shrink,

(2) that the rates, which are lower than tax rates of most Canadian cities will never be increased,

wouldn't you accept a $10,000, $25,000 or $50,000 estate?

This is just the proposition offered you by the London Life Insurance Company in its new Jubilee Policy —the product of fifty years' service.

Example—

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Value of estate.......$10,000.00

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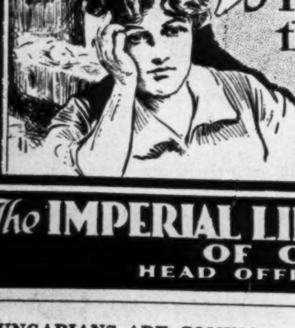

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HEAD OFFICE TORONTO

HUNGARIANS ARE COMING

WINNIPEG.—Aladar de Gedeon, president of the Budapest Agricultural Association, has announced that he has completed negotiations for the purchase of some 10,000 acres of farm lands at Indian Head, Sask., which will form the nucleus of a settlement which he proposed establishing in Western Canada. He intends eventually to bring some 1,000 Hungarians to Canada to settle in a colony of approximately 20,000 acres.

Insurance for Buyer and Seller

UNIVERSITY WILL GIVE COURSE IN LIFE INSURANCE

Underwriters to Extend Activities in Coming Year

A course in life insurance salesmanship will be given at the University of Toronto starting in January, 1925, according to the announcement made by J. G. Taylor, chairman of the Educational Committee of the Life Underwriters' Association, at the annual meeting of the Toronto Life Underwriters' Association last week. It is planned that a course of 50 or 52 lectures will be given over a period of three months. Two hours on each of two evenings every week will be consumed and the lectures will be given partly by the staff of the economics department and partly by men engaged in the insurance business. They will cover a wide range of valuable information.

The annual meeting was marked chiefly by the address of the retiring president, S. C. Vinen, and the election of officers for the coming year. Mr. Vinen reviewed at length the activities and advances of the year. A move was made to place the Association in a stronger financial position. and several changes were made to further place the business in a sound position. Mr. Vinen made a number of suggestions for the attention of the executives in future and in closing he cautioned that life insurance salesmanship assumed the character of a profession only as the idea of service superceded that of profit.

The election of the officers for the coming year resulted in the following: president, Wm. Triggs of the Mutual Life of Canada; first vice-president, W. S. Naylor of the Dominion Life; second vice-president, N. B. McKibbon, of the Equity Life. In his inaugural address the new president spoke hopefully of the prospects for the coming year.

BIG ADVANCES MADE IN INSURANCE LAWS

Ontario Superintendent Tells Ass'n. of Life Insurance Counsel of New Developments

An unparalleled achievement is the way R. Leighton Foster, Superintendent of Insurance for Ontario, characterized uniform legislation on insurance matters in Canada during the past year, in speaking at the conference of the Association of Life Insurance Counsel in New York last week. He said:

"During that short period seven out of nine provinces have enacted uniform legislation upon the subject-matter of life insurance contracts, including the rights and status of beneficiaries, their designation by the insured, the apportionment of the insurance money, and generally all law respecting life insurance contracts other than that relating to the incorporation, licensing and regulation of life insurers.

"There is another important and influential body in Canada which must be given a full measure of credit when the enactment of the uniform life insurance act or the fire insurance policy act is discussed; that is the conference of commissioners in uniformity of legislation in Canada.

"This conference consists of three prominent members of the bar of each province appointed by the several provincial governments. It is, I believe, closely comparable to your national convention of commissioners on uniformity of state laws. The duties of the conference include the actual drafting of legislation for enactment in identical form by the provincial legislatures."

As evidence of the good work the conference has done, Mr. Foster pointed to the fact that several provinces have already enacted the model statutes adopted by it.

New Montreal Brokers Will Sell Life Chiefly

From Our Own Correspondent.

MONTREAL.—Specializing on life and other forms of insurance, the brokerage firm of Merrill and Stanley have commenced writing business here.

Since 1920, G. O. Merrill has been a special agent of the U. S. Fidelity and Guarantee Company and the Royal Insurance Company, specializing in fire, casualty and surety.

For some years, H. P. Stanley has been handling life insurance in Montreal, but representing no one company, placing his clients in those companies which can give them the covering which best meets their needs.

The new brokerage firm represent all companies and are laying special emphasis on their life insurance service in addition to handling of other lines.

Metropolitan Appoints Agency Superintendent

F. J. Williams, of New York, who has been appointed Superintendent of Agencies for Canada by the Metropolitan Life Insurance Co. (to succeed F. Moran, who has resigned), has assumed the duties of his office. Mr. Williams is of English parentage, and is quite familiar with Canada, having lived in this country for a number of years. He has been connected with the Metropolitan for nearly twenty years. He has been manager for the company in many cities, last of which was Syracuse, after which he became Superintendent of Agencies for New York State. In all positions he achieved success owing to executive ability and his devotion to duty. On his initial trip through Canada, A. F. C. Fiske, third vice-president, will introduce Mr. Williams to managers of the Metropolitan at meetings in Montreal, Ottawa, Toronto, Moncton, and Winnipeg.

Make Recovery Difficult for Dishonest Assured

In reviewing the Ontario Insurance Act before the Institute of Insurance of Toronto last week, F. Erichsen Brown laid down two principles, that all losses come out of premiums and that if the laws could protect the companies against dishonest people they were at the same time protecting honest persons insured against dishonest persons insured. Mr. Brown urged that extreme caution be employed before any new amendment is passed and that the question of whether the proposed amendment will help dishonest persons recover insurance be considered in each case.

He also offered criticism of the separate notice required to be sent to policy holders because of variations of warranties in the policy. Provided the contract was simple and unequivocal, the man should be presumed to know what the contract was. If a man was to make a contract with an insurance company, why did the Legislature decide that it was necessary to make it in two rather than one? he asked.

TRAVELERS WRITE FIRE

Commencing January 1 the Travelers Insurance Company of Hartford will operate their new subsidiary fire company in the United States. As yet no arrangements have been made to write fire business in Canada.

CHRISTMAS TREES FOR U. S.

HALIFAX.—One hundred and eleven carloads of Christmas trees were recently shipped from Nova Scotia to points in the United States.

The Record of Fire Losses in Canada

Place — Property	Date	Damage	Insurance	Cause
Nova Scotia				
New Germany—Moore's Hotel	Dec. 5	20,000	partial	......
Mrs. Freeman's millin. shop.				
Florence—business block	Dec. 4	50,000	partial	......
Nr. Sydney—W. N. Taylor, residence	Dec. 4	heavy	covered	......
Hillside—A. MacDonald residence	Dec. 7	5,000	none	......
Sydney Mines—R. MacKinnon, residence	Dec. 5	500	......	def. chimney
Prince Edward Island				
Charlottetown—P. F. McKenna, residence	Dec. 3	2,500	......	unknown
New Brunswick				
St. John—P. M. Levine, store; Robinson Clothing Co., Ltd., store; Max Ross, office; M. Goldman Manuf.	Dec. 3	heavy	covered	unknown
Wellfield—school	Nov. 30	...		unknown
Hopewell Hill—J. W. Steeves residence	Dec. 5	3,000	half cov.	......
Kingsclear—J. Forsey, residence		total	......	defective flue
Newcastle—Rom. Cath. presbytery	Dec. 9	total	partial	......
Buctouche—J. D. Irving, Ltd., Queen Hotel		6,000	partial	......
Fredericton—City Stable		600	......	unknown
Quebec				
Lachenaie barns and residence	Dec. 6	total	......	match
Montreal—F. De Silva res. and contents	Dec. 4	total	......	unknown
Mystic Creamery	Dec. 6	total	......	unknown
Montreal—J. Stroud, residence	Dec. 7	heavy	......	elec. wire
Montreal—Z. Quevillon, M. Staviss and D. Cossman, residences	Dec. 8	considerable	......	......
Eastview—N. Corneau, residence	Dec. 5	500	covered	......
Quebec—Mrs. J. Grondin, residence	Dec. 10	6,000	......	unknown
Ontario				
Bowmanville—Can. Express Co., Standard Bank of Canada, Gilchrist's store, Dudley Store	Dec. 8	50,000	......	unknown
Milton—R. Grimshaw barn and bldgs.	Dec. 6	total	......	......
Meaford Road—D. Artley and barns	Dec. 9	6,000	......	......
Thedford—Turdor Block	Dec. 4	50,000	......	......
Smith's Falls—P. Leach, residence	Dec. 6	3,000	covered	......
Wilkesport—R. Shovak grist mill	Dec. 3	total	......	unknown
Welland—S. Lambert planing mill	Dec. 9	250,000	100,000	unknown
Toronto—Wm. Davies packing plant	Dec. 9	1,000	......	unknown
Kitchener—Station Hotel barber shop	Dec. 3	considerable	......	unknown
New Toronto—Can. Fabricoid Co.	Dec. 6	5,000	......	s. combust'n
Toronto—Rev. W. A. MacTaggart residence	Dec. 7	2,500	......	......
Tweed—M. Merow barn and crop	Dec. 3	total	......	......
London—J. Harris and Son's warehouse	Dec. 9	10,000	......	......
Hygrade Corrugated Prod. Co.	Dec. 9	2,000	......	......
London—Caloric Furnace Co.	Dec. 9	1,000	......	......
Thorndale—C. Switzer barns	Dec. 2	total	......	unknown
Bolton—J. Scott, workshop	Dec. 2	500	partial	......
Morrisburg—W. P. Allison bldgs.	Dec. 7	3,100	none	torch
Dundalk—J. Miller, residence	Dec. 3	total	none	unknown
Peterborough—Miss B. O'Malley, residence	Dec. 6	total	partial	unknown
Suomi—J. Niemi, residence	Dec. 2	total	partial	......
Brockville—W. Harrison bldgs. and crops	Dec. 12	total	......	unknown
Englehart—W. J. Henderson, residence	Dec. 12	total	......	stove
Belleville—D. Plummer, residence	Dec. 3	total	......	def. chim'y
London—A. B. Greer & Co. plant	Dec. 13	100,000	covered	......
Huntsville—J. Mawhinney, residence	Dec. 13	heavy	......	......
Arnprior—Chronicle Office	Dec. 14	considerable	covered	......
Stirling—B. Bellshaw, garage and shed	Dec. 12	1,000	covered	unknown
Maple—J. Wood, barn and contents	Dec. 13	1,000	partial	lantern
Manitoba				
Winnipeg—Taylor confec. store	Dec. 3	3,000	......	......
Reston—G. Wilson, residence	Dec. 2	total	partial	......
Basswood—H. Elwin, residence	Dec. 3	total	partial	......
Saskatchewan				
Moose Jaw—C. Colenut, barn	Nov. 25	total	partial	......
Govan—J. C. Flowers imp. shed and mach.	Dec. 1	7,000	partial	short cir.
Kerrobert—Mr. Gray, res. and contents	Dec. 2	2,000	small	unknown
Naicam—H. J. Cumming, res. and Mr. McVea, shop	Dec. 1	total	......	......
British Columbia				
Salmon Arm—Mr. McDonald, residence	Nov. 29	considerable	small	......
Sea Island—W. H. Fletcher, barn	Dec. 4	7,000	......	......
Nakusp—F. H. Waterfield, residence	Dec. 1	tota	......	match

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, CANADA

TOTAL ASSETS $2,928,337.62

TORONTO, 24 Adelaide St. W.

W. H. George, Superintendent of Agencies

A Living Certainty

Protection with Profit

A man becomes rich in proportion to the number of things he can do without in order to pay for life insurance.

Great-West Life Assurance Company

17

New Canadian Pacific Toronto to Winnipeg

36¼ Hour Feature Service

The new daily 36¼ hour Toronto to Winnipeg service just inaugurated by the Canadian Pacific Railway not only establishes a record in fast, convenient transportation but provides the traveller with a feature service to Fort William from both Toronto and Winnipeg inasmuch as the Winnipeg Special leaving Toronto at 9.45 p.m. every night and arriving in Sudbury at 5.30 a.m., arrives in Fort William at 11.00 p.m., leaving there 15 minutes later and in Winnipeg at 9.00 a.m.

Returning the "Toronto-Montreal Special" leaves Winnipeg at 7.00 p.m. arriving in Fort William at 6.40 a.m., leaving 15 minutes later, arriving in Sudbury at 1.05 a.m. and in Toronto at the convenient hour of 8.35 a.m.

Direct connections are made by travellers from Winnipeg for all main points in Ontario, Quebec and East, which will receive the serious consideration of those who desire efficient service. Dominion Express shipments are delivered hours earlier which is also a feature.

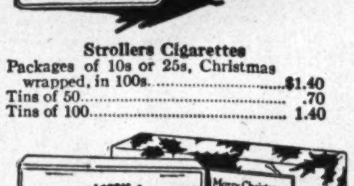
The most modern equipment including standard and compartment sleepers, dining and compartment-observation cars, are carried which, with the reduction in the running time and the courteous, efficient service by all employees, makes this new service pre-eminent as the last word in transportation.

Secure further information, tickets, reservations, etc., from any Canadian Pacific Agent.

The finest from Virginia and the Orient for his Christmas!

You run no risk of disappointing even the most particular man's tobacco taste, when you select one of these famous brands of cigarettes or tobacco for Christmas. The makers' guarantee of quality covers every package.

On sale, at all stores where good tobaccos are sold. Put up in attractive Christmas wrappings.



Strollers Cigarettes

Packages of 10s or 25s, Christmas wrapped, in 100s.......$1.40

Tins of 50....... .70

Tins of 100....... 1.40

Philip Morris Navy Cut Cigarettes

10-10s in Christmas wrapping.......$1.40

Tins of 50....... .70

Tins of 100....... 1.40

Philip Morris Virginia Ovals

5-20s in Christmas wrapping.......$1.75

Tins of 50....... .90

Tins of 100....... 1.75

Herbert Tareyton London Cigarettes

Tins of 50.......$0.85

Herbert Tareyton London Smoking Mixture

This smoking tobacco is a beautifully blended tobacco, mild, but of the richest aroma and flavor. An unusually good tobacco which pleases the most particular smoker.

½-pound tins.......$1.50

1-pound glass Humidor jars....... 3.25

Melachrino Cigarettes

10-10s in Christmas wrapper.......$2.50

In tins of 50....... 1.25

In tins of 100....... 2.50

Plain or Cork tipped

If something unusually select is desired we recommend Melachrino No. 4.

Tins of 50.......$2.25

Tins of 100....... 4.50

Melachrino Individuals, each cigarette individually wrapped in tin foil. Put up in tins of 50 with Christmas ribbon and label, a very attractive packing, $2.50.

X4

DOMINION GLASS DIRECTORS ACTED CONSERVATIVELY

Market Showed Some Disappointment at Lack of Dividend Jump

From Our Own Correspondent.

MONTREAL.—The decline that came in Dominion Glass following publication of the annual report of the company indicated that investors were somewhat disappointed with the showing made. But earnings shown were up to the expectations of the better informed investors in the shares. Quite likely the real disappointment was due to the failure of the company to increase its dividend rate from 7 per cent. to 8 per cent. Recent prices for Glass, when it went up to over 120 were based upon the prospects of an 8 per cent. dividend.

That the stock might have gone on an 8 per cent. basis, if the company were in less conservative hands, can be admitted. But the president of Dominion Glass is Sir Charles Gordon and it is the case with every one of his companies that a solid bulwark of assets of real earning power is built up before dividends are too freely disbursed. Glass has a good will account that is close to $4,000,000. Some $900,000 has been sliced off this account in the past two years. More is certain to be taken off.

The Profits on Bottles

Another feature that the directors undoubtedly have in mind in holding to a conservative dividend policy is the fact that at least a portion of recent earnings have come from a direction that cannot continue to be important. It is an open secret that one source of profits to the company has been in the fact that Canada's export trade in wet goods has grown greatly in the past few years. The exported bottles, filled with their cargoes of beer and rum, seldom return to Canada, and have to be replaced. Most of the glass companies have benefited in this way in the natural course of the business that comes to them from the breweries and distilleries.

The business has come naturally to the company and has been given no encouragement. And the directors will unundoubtedly look forward to the time when revenue from this source will cease to be a factor, although replaced by new business from other growing fields.

Dominion Glass has excellent prospects and the shares are strong enough and promising enough for investors. But stock splits and increased dividends must not be taken as an immediate certainty.

Dominion Glass is the largest factor in the glassware trade in Canada, and turns out a wide variety of glass products from its seven plants, six of which are now operating, and the seventh of which has been practically scrapped as obsolete. Its products include nearly everything in that line except sheet glass, this is not manufactured at all by Dominion Glass. Included are bottles for distilleries, breweries, food packing concerns, druggists and chemists, as well as fruit jars, opal jars for ointments and cosmetics, tableware, and electric lamp shades. The latter are made at the Toronto plant of the Jefferson Glass Company, which is controlled through stock ownership by Dominion Glass.

The 1924 Report in Brief

According to the recent annual report net profits for the twelve months under review amounted to $753,369, as compared with $724,664 in the preceding year, and $757,988 in the boom year of 1920. After deducting usual charges for sinking fund and bond interest, the net income was $583,369, as against $554,664 in the preceding year. The usual preferred dividends of 7 per cent. were declared, leaving a balance of $.01,369 applicable to common stock. This was equivalent to 9.44 per cent. on the $4,250,000 of common stock outstanding, as against 8.77 per cent. in 1923 and 9.55 per cent. in the record year of 1920. After common dividends, the surplus was increased by $103,869, making a total profit and loss surplus of $1,108,718.

The balance sheet shows that the item "patent rights, trade mark and good-will" has been written off to the extent of $550,000 for the period under review, and now stands at $3,690,920. For this purpose the sum of $500,000 was transferred from general reserve.

FOUR STOCKS THAT ARE AT HIGH LEVELS

Are Bridge, Glass, Paint and Smelter at Too High a Price?.

From Our Own Correspondent.

MONTREAL. — Financial Service points out that there is considerable "bearish" sentiment regarding some of the present high-priced issues on the Montreal Stock Exchange. Dominion Bridge, Dominion Glass, Sherwin-Williams and Smelters are mentioned. Canada Steamships preferred might have been added before its reaction this week. Steamers' directors met this week, with no news of the suggested dividends on the preferred. It is generally believed now that the preferred will not get more than 4 per cent. next year, and that the discussions of resumption of dividends on a basis of 7 per cent. were out of line.

The Service says regarding the four stocks mentioned:

"It is expressed in some quarters that a few of the local issues are open to the charge of having discounted a great deal in advance and might therefore be termed inflated, or top heavy, from the viewpoint of their present dividend yields. In this connection, Dominion Bridge, Dominion Glass, Sherwin Williams and Smelters are prominently mentioned. The upward move in Bridge was fairly rapid and at 82, the stock yields but 4.87 per cent., which makes it appear that the part the Bridge Company may play in the construction of the proposed new structure across the St. Lawrence is as yet purely speculative. It is well known that the project is attracting a considerable amount of interest, the result of which will be that there will be keen competition from both British and American firms for the work, so that Canadian tenders will have to take that fact into consideration.

The company has taken on a number of fair-sized contracts of late, such as the Gazette Building, 2,400 tons, Price Bros. plant, 3,000 tons, International Paper, 2,500 tons, etc. It is understood, however, that these contracts were secured at very close figures and will not yield regular profits.

"Consolidated Smelters have enjoyed a very prosperous year, both from a production and price viewpoint, but it would appear, by the present price of 49, that the 'bulls' have discounted an excellent statement which they anticipate is coming. Good earnings will help a great deal to rectify the position of the company and turn the adverse working capital position shown in the last statement to a favorable one. Last year the situation was that the working capital showed a minus quantity of $837,699 due principally to the special loan of $1,500,000 and $1,493,213 owed to the West Kootenay Power Company.

"Sherwin-Williams, which sold up to 128½ this year on the persistent rumor that the shareholders were going to be given many good things, has not given an impressive account of itself on the market of late. The stock continued its advance even after the Service obtained an official denial from the management. The last annual statement showed the company to be in strong position, but it would appear that some traders were influenced to purchase this stock at near the high of the year and now find that they have rather an expensive 6 per cent. stock on their hands.

"Dominion Glass would appear to have discounted the good statement that h been freely predicted will be given the shareholders in the forthcoming report. The company has been very busy all year and prospects are excellent for a continuance of orders."

WHY BELL 'PHONE BUYS MUCH FROM NORTH. ELECTRIC

(Continued from page 7)

What is the history of the compact between them, and what is the logic of it?"

The questions are answered as follows:

"Not only do we buy from the Northern Electric Company telephone apparatus and equipment which they manufacture, but they act for us as purchasing agents and distributors of a large volume of supplies made by other manufacturers. There are few representatives of The Bell Telephone Company in the field who have not been asked, at some time or other, just what the connection was between the Northern Electric and The Bell Telephone Company, and how it worked out from the point of view of the telephone subscriber.

Origin of the Contract

"The origin of this contract may be traced to a small repair shop or factory, inaugurated by The Bell Telephone Company of Canada in the early days of the business, to assemble and repair the bells, telephones, transmitters and switchboards. This was work which could not be contracted for, since there were no shops in existence with workmen familiar with telephone apparatus.

"It became evident from our own experience and that of the larger companies in the United States, that with the development of the business the necessary apparatus would become complex and the mechanism more intricate, and it was realized that the quality and scope of telephone service would largely depend upon an adequate supply of suitable apparatus and equipment, built to furnish satisfactory service with low maintenance.

"It was also realized that the production of this apparatus was bound up with the growth of the business and that it must be of such a design that later developments and improvements would be useful in connection with plant already installed.

Economies Are Effected

"With the growth of the large supply business carried on by the manufacturing companies, catering to the wants of practically all the telephone systems in Canada, it had become evident that substantial economies could be effected if all supplies for The Bell Telephone Company were purchased and handled by the manufacturing company, which was the largest purchaser as well as the largest manufacturer of telephone supplies in Canada. Accordingly, a contract was entered into with the manufacturing company as purchasing agent and storekeeper of the telephone company. It also provided that the manufacturing company should maintain storerooms, distributing points and an adequate supply of suitably designed apparatus. The manufacturing company agreed to purchase and store supplies not its own manufacture, sold in the open market, and deliver to the telephone company on demand such quantities and at such times as it may designate, but the telephone company reserved the right to buy elsewhere when it could do so to advantage.

"Experience has fully justified the wisdom and economy of this development. The telephone company is assured of a continuous supply of the highest quality of standard technical apparatus, made of the best material.

"The fact that its customers are nation-wide, means that the Northern must carry, in warehouses at important centres throughout the country, a liberal supply of all kinds of equipment. Were this not done, we should require to carry big stocks of emergency and repair material at many points in our territory. As it is, the Northern warehouses at Montreal, Toronto and London meet the needs of the situation fully.

"While the profits of the manufacturing business have not been great, it will be clear that by this ownership of a portion of the stock of the manufacturing company, there has come back to The Bell Telephone Company, in the shape of dividends, a sum which represents the profits on the manufacture of the telephone apparatus supplied to it, and its subscribers receive the benefit."

Tram Power Report Brought Under Fire

MONTREAL.—When Montreal Tramways and Power Company shareholders held their annual meeting this week, Hon. F. B. McCurdy made a number of protests. He stated definitely that he could not approve the annual report as presented. The profit and loss statement is not as bad as the report would have it appear, as many of the expense items are not of a recurrent nature. Mr. McCurdy thought that the revenues of the company are sufficient to meet all its expenses, and that the company is not and has never been in an insolvent position. It also has many valuable assets. His view of the situation was the reverse side of the shield to that presented by the directors' report, which carried a note of discouragement to the shareholders.

One of his questions elicited the information from Julian C. Smith, the president, that about 160,000 shares, out of a total of 175,000 of Tram-Power stock have been exchanged to date for United Securities' stock.

Mr. McCurdy questioned the indebtedness to the Imperial Trust Company. With reference to this indebtedness, amounting to $897,773, Mr. Smith stated that a thorough investigation is being made of the legal phases of the situation which tends to show that the debt is a legal one, though it is not yet admissible. It is now shown on the balance sheet in the same way as in the past few years, he stated.

The report of the company for the year ended November 30, 1924, shows an operating deficit for the year of $77,647. After deducting exchange on U. S. funds and losses on shares of Quebec-New England Hydro Electric Corporation and Canadian Light and Power Company, the deficit was increased to $11,713,445. This was added to the deficit shown in the previous year's statement making a total balance sheet deficit of $13,495,662.

Montreal Making a Good Showing on 1924 Building

With Montreal showing an increase in building permits for November of $2,300.000 as compared with November of 1923, declines which have been reported from some other centres are offset and for thirty-four eastern cities and seventeen western cities, an improvement over a year ago of close to $2,000,000 is shown for the month. For eleven months the substantially smaller totals reported by Toronto, Port Arthur and Hamilton wipe out the increase of more than $4,000,000 shown by Montreal and leave thirty-four eastern cities with a deficit of something more than $5,000,000 compared with a year ago; Western cities show practically no change in the year to date.

BUILDING PERMITS ISSUED IN NOVEMBER

EASTERN CITIES

	Nov. 1924	Nov. 1923	Change	11 Months 1924	11 Months 1923	Change
Maritimes—						
Halifax	$ 27,920	$ 29,642—$	1,722	$ 724,034	$ 361,619+$	362,415
Moncton	4,250	6,190—	1,940	101,744	375,011—	273,267
St. John	6,500	10,600—	4,100	1,119,765	349,800+	769,965
Sydney	39,365	21,700+	17,665	150,157	327,677—	177,520
Quebec—						
Montreal	4,176,785	1,862,214+	2,314,571	29,400,232	25,345,338+	4,054,894
Outremont	276,100	199,150+	76,950	3,318,150	1,902,550+	1,415,600
Quebec	142,061	561,000—	418,939	7,25[illegible],351	4,698,123+	2,558,228
Sherbrooke	7,500	64,000—	56,500	526,878	663,950—	137,072
Westmount	193,625	10,450+	183,175	2,092,106	1,608,481+	483,625
Ontario—						
Brantford	5,650	25,202—	19,552	183,465	606,001—	422,536
Chatham	18,280	11,822+	6,458	325,329	235,867+	89,462
Fort William	23,400	5,925+	17,475	1,222,220	1,154,600+	67,620
Galt	8,510	2,825+	5,685	124,561	128,631—	4,070
Guelph	30,949	24,495+	6,454	394,859	547,319—	152,460
Hamilton	176,850	337,550—	160,700	3,145,000	5,267,180—	2,122,180
Kingston	24,988	2,300+	22,688	1,024,820	629,886+	394,934
Kitchener	81,515	60,075+	21,440	1,139,902	1,852,027—	712,125
London	151,610	163,600—	11,990	2,033,315	3,171,260—	1,137,945
Niagara Falls	52,465	87,380—	34,915	704,072	714,032—	9,960
Oshawa	27,675	52,560—	25,335	758,435	1,637,425—	878,990
Ottawa	228,480	194,050+	34,430	2,479,114	3,127,727—	648,613
Owen Sound	14,100	9,000+	5,100	1[illegible]8,210	305,000—	136,790
Peterborough	33,665	12,855+	20,810	421,760	280,562+	141,198
Port Arthur	3,387	2,681+	706	1,182,705	2,635,236—	1,452,531
Sarnia	142,700	21,015+	121,685	789,078	748,260+	40,818
Sault Ste. Marie	20,190	10,348+	9,842	542,970	398,172+	144,798
Smith's Falls	7,100	400+	6,700	67,575	40,705+	26,870
St. Catharines	39,085	28,676+	10,409	692,389	753,028—	60,639
St. Thomas	3,095	14,230—	11,135	327,599	326,589+	1,010
Stratford	11,090	39,230—	28,140	637,129	506,552+	130,577
Toronto	2,213,585	2,013,513+	200,072	21,532,768	28,587,397—	7,054,629
Welland	13,190	41,640—	28,450	172,880	205,245—	32,365
Windsor	256,730	304,415—	47,685	4,286,688	4,5[illegible]0,859—	274,171
Woodstock	41,536	19,263+	22,273	236,564	305,428—	68,864
Total 34 E. cities	$8,503,581	$6,249,996+	$2,253,585	$89,282,824	$94,357,537—	$5,074,713
York Twp.	389,400	....	....	3,918,000	....	....
New Glasgow	1,000	....	....	....	....	....
WESTERN CITIES						
Manitoba—						
Brandon	3,300	4,200—	900	278,257	179,534+	98,723
Winnipeg	113,600	434,250—	320,650	3,129,500	4,446,150—	1,316,650
St. Boniface	26,800	18,400+	8,400	405,705	503,708—	98,003
Alberta—						
Calgary	74,070	27,500+	46,570	1,007,015	815,640+	191,375
Edmonton	28,675	41,550—	12,875	2,281,180	1,476,715+	804,465
Lethbridge	4,791	7,590—	2,799	170,246	240,980—	70,734
Medicine Hat	385	3,835—	3,450	132,867	28,907+	103,960
Saskatchewan—						
Prince Albert	4,095	495+	3,600	145,861	261,280—	114,419
Moose Jaw	3,770	777+	2,993	496,706	288,898+	207,308
Regina	27,435	19,775+	7,660	930,460	1,255,180—	324,720
Saskatoon	16,405	40,275—	23,870	1,273,901	848,748+	425,153
Weyburn	100	..........+	100	2,205	18,655—	16,450
Yorkton	375	1,275—	900	60,235	47,995+	12,240
British Columbia—						
Vancouver	302,950	427,125—	124,175	6,064,379	5,692,617+	371,7[illegible]2
N. Westminster	24,420	49,650—	25,230	292,552	338,698—	46,146
Victoria	225,830	57,318+	168,512	755,908	947,191—	191,283
Nanaimo	2,500	10,395—	7,895	88,405	136,928—	48,523
Total 17 W. cities	859,501	1,144,410—	284,909	17,516,382	17,527,824—	11,442
Gr. total of 51 cities	$9,363,082	$7,394,406+	$1,968,676	$106,799,206	$111,885,361—	$5,086,155

$30,000,000

Canadian Pacific Railway Company

20-year 4½% Sinking Fund Secured Note Certificates

Dated December 15th, 1924 **Due December 15th, 1944**

With but few exceptions, Canadian Pacific Railway financing has been done in London or New York. As a result, the progress of the Canadian Pacific Railway has been regarded as a barometer of Dominion prosperity.

This may be more readily understood when it is stated that the Assets of the Company are $1,080,000,000, and are greater than the assets of any Canadian Province. Provincial Assets include Crown lands and undeveloped water powers, whereas practically the entire amount of assets of the Canadian Pacific Railway is revenue producing.

The ability and willingness of our people to finance Dominion of Canada Loans indicates that the Note Certificates of the Canadian Pacific Railway should meet with an equally favourable reception—they are a direct obligation of the Company.

The offering constitutes the largest single amount of Corporate financing ever undertaken in Canada. The incomparable quality of the Security insures its successful reception. Note Certificates are offered in denominations of $100, $500, $1,000 and upward.

Price: 92.25 and Interest, Yielding 5⅛%

Orders may be placed through your usual dealer or through any Chartered Bank.

for Fifty One Years

this Bank has served the People of Canada. At the close of the year we extend to all our clients and friends our best wishes for

A HAPPY & PROSPEROUS NEW YEAR

THE STANDARD BANK OF CANADA

ESTABLISHED 1873

Head Office 15 King Street W. Toronto.

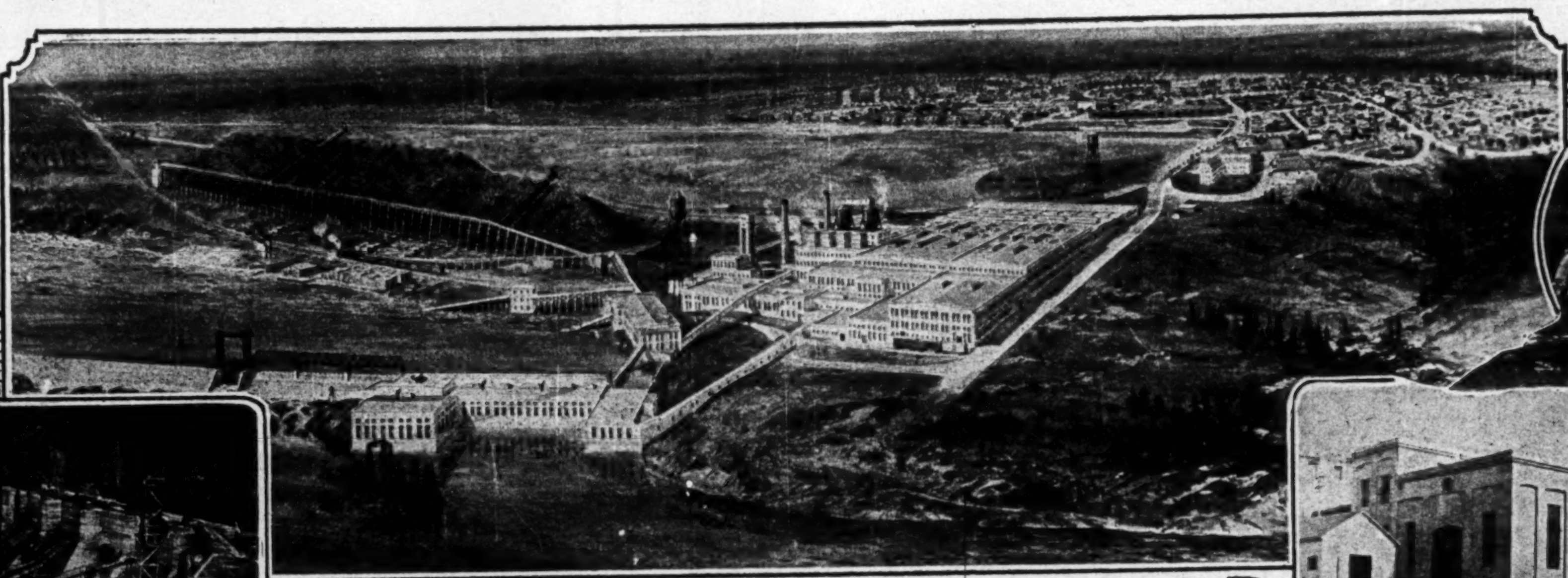
The Growing North

"There is nothing more significant," Premier Howard Ferguson is reported as saying, "in recent Canadian events than the increased public interest in Northern Ontario and everything pertaining to that vast and richly endowed country."

Emphasis is given to this statement by a group of photographs of North Country scenes just to hand. To those who have never been in the North, these pictures will give an idea of the substantial growth that has taken place there. Homes, schools, churches and public buildings of a permanent character have been erected. Concrete sidewalks, sewers and all the conveniences of civilization are found in the Northern towns. The photographs show a life not at all unlike that of the older settled sections of the province.

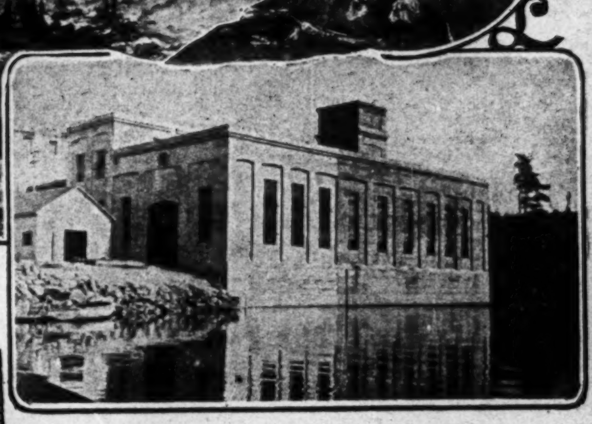
The quartette of industries—Water Powers, Forests, Mines and Agriculture upon which the North is founded, are all forging ahead.

The Abitibi Plant and Model Town at Iroquois Falls



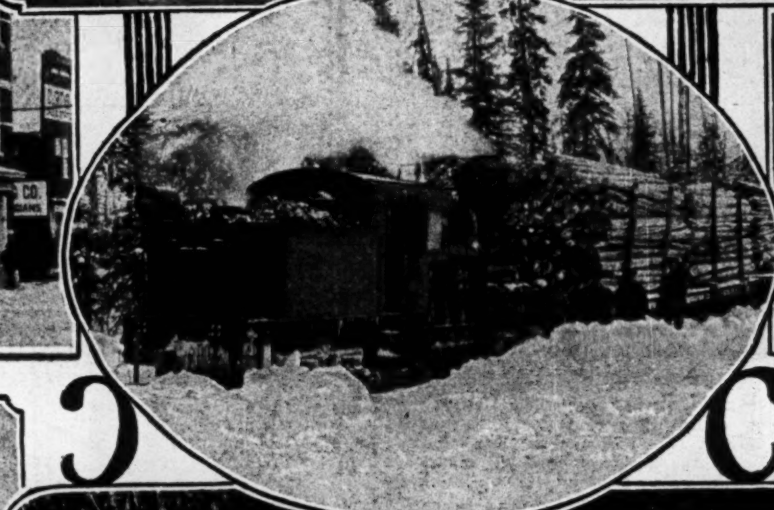
Sheep Raising in the North

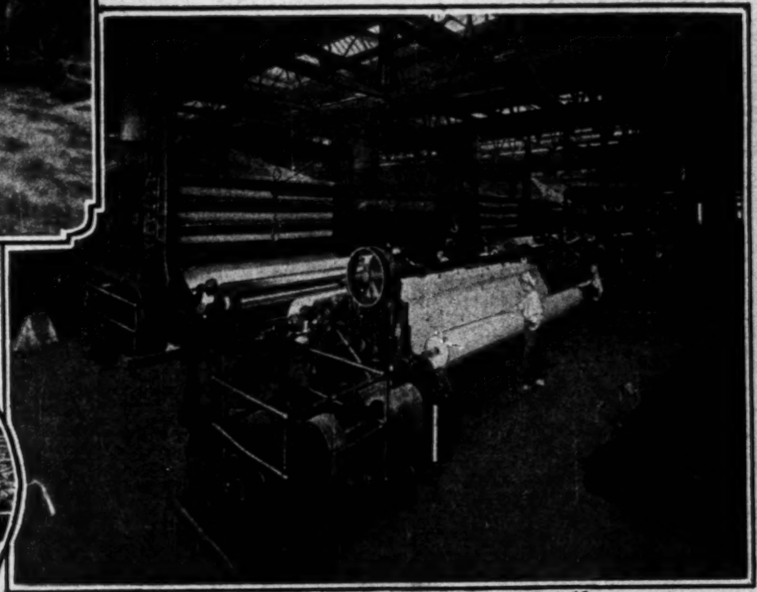
Constructing New Northern Power Plant



Power Development at Big Chute

Quinze River Power Site





Interior of Northern Paper Mill

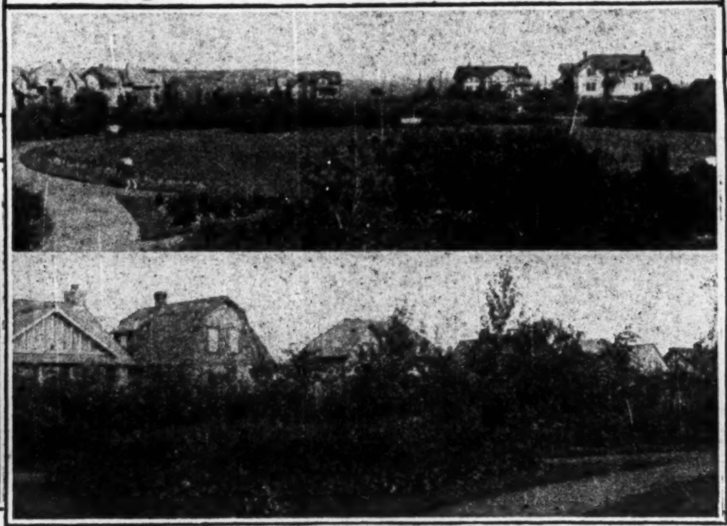
Bee Culture in the North

Agricultural Products of the North

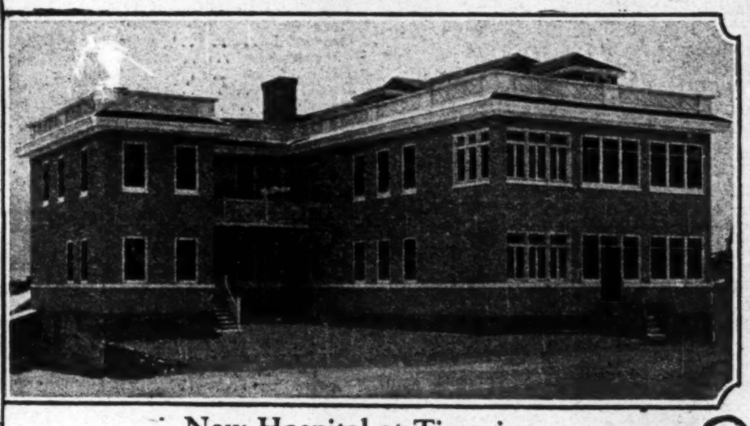
One of Timmins' Modern Schools

Northern Farm

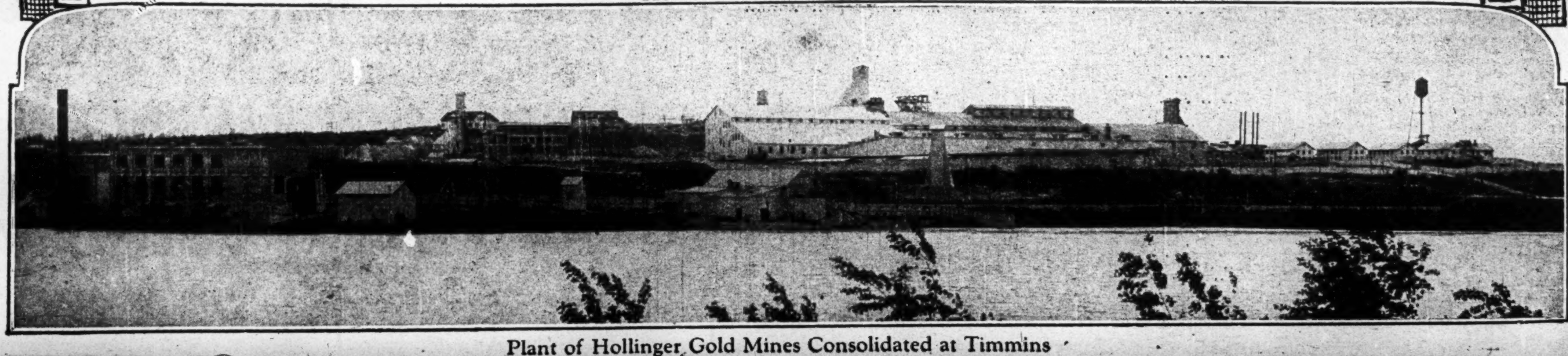
Agricultural Scene in the North



Homes in the North Country



New Hospital at Timmins



Plant of Hollinger Gold Mines Consolidated at Timmins